



April 28, 2023

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

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

**Scrip Code : 500150**

**Scrip code : FOSECOIND**

Dear Sirs,

- Sub: 1) Annual Report of the Company for the year ended 31 December 2022**  
**2) Notice of the 66<sup>th</sup> Annual General Meeting of the Company**  
**3) Intimation of the Book Closure for payment of final dividend**  
**4) Period of the remote e-voting and cut-off date**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)], the Annual Report of the Company for the year ended 31 December 2022 including the Business Responsibility and Sustainability Report together with the Notice of the 66<sup>th</sup> AGM of the Company is submitted herewith. The Annual Report contain all the details as laid down under Regulation 34(2), Regulation 34(3) and Schedule V of the aforesaid Regulation, to the extent applicable to the Company.

We would like to inform that the 66<sup>th</sup> Annual General Meeting (AGM) of the Members of Foseco India Limited ("the Company") will be held on Wednesday, 24 May 2023 at 1430 Hours (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), to transact the businesses as mentioned in the AGM Notice. The venue of the meeting shall be deemed to be the Registered Office of the Company at Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur, District Pune - 412 208.

In terms of the provision of Section 91 of the Companies Act, 2013, read with Regulation 42 of the SEBI (LODR), the Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 18 May 2023 to Wednesday, 24 May 2023 (both days inclusive) for determining the entitlement of the members to the payment of final dividend, if declared at the Meeting. The final dividend, if declared at the AGM, shall be paid/credited on or before Thursday, 22 June 2023, to those Members of the Company:

- i) whose names appear in the Company's Register of Members in respect of shares held in physical form, after giving effect to all valid share transmission request lodged with the Company on or before the close of business hours on Wednesday, 17 May 2023; and
- ii) whose names appear as beneficial owners in respect of shares held in demat form, as per the details furnished for this purpose by the National Securities Depository Limited and the Central Depository Services (India) Limited, as of the close of business hours on Wednesday, 17 May 2023.

Foseco is a brand of the Vesuvius Group.

Foseco India Limited

Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur, District Pune 412 208. India

Tel.: +91 (0)2137 668100 / Fax: +91 (0)2137 668160 / Web: [www.vesuvius.com](http://www.vesuvius.com)/[www.fosecointia.com](http://www.fosecointia.com), CIN : L24294PN1958PLC011052



In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI (LODR), as amended, the Company is providing its Members facility to exercise their right to vote on Resolutions proposed to be considered at this AGM by electronic means which includes “remote e-voting” i.e., from a place other than venue of the AGM, provided by National Securities Depository Limited (NDSL).

The remote e-voting period begins on Friday, 19 May 2023 at 0900 Hours (IST) and ends on Tuesday, 23 May 2023 at 1700 Hours (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date being Wednesday, 17 May 2023 will be eligible to vote by electronic means or at the AGM.

Electronic copy of the Annual Report for the financial year 2022 including the AGM Notice of the Company, *inter-alia*, indicating the process and manner of electronic voting (“e-voting”) has been sent today i.e., April 28, 2023 to all the Members whose email addresses are registered with the Company/Depository Participant(s), for communication purposes, unless any member has requested for a hard copy of the same. In case any member is desirous of obtaining hard copy of the Annual Report and AGM Notice of the Company, may send request to the email address at [pune@linkintime.co.in](mailto:pune@linkintime.co.in), [ashok.gupta@linkintime.co.in](mailto:ashok.gupta@linkintime.co.in) or [umesh.sharma@linkintime.co.in](mailto:umesh.sharma@linkintime.co.in), mentioning Folio No./ DP ID and Client ID.

The Annual Report and the AGM Notice are available on the Company’s website: [www.fosecointia.com](http://www.fosecointia.com). Additionally, these can be accessed on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility and e-voting during the AGM/EGM) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

Kindly take the above information on record.

Thanking you,

Yours faithfully,

**For FOSECO INDIA LIMITED**

**Mahendra Kumar Dutia**  
**Controller of Accounts and Company Secretary**

Enclosing: i) Annual Report including the Business Responsibility and Sustainability Report  
ii) AGM Notice

# FOSECO INDIA LIMITED

ANNUAL REPORT 2022





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# 2022 Highlights

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**₹40,673 lakh**

Revenue  
20.3% ▲

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**₹4,597 lakh**

Profit after tax (PAT)  
40.7% ▲

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**₹7,023 lakh**

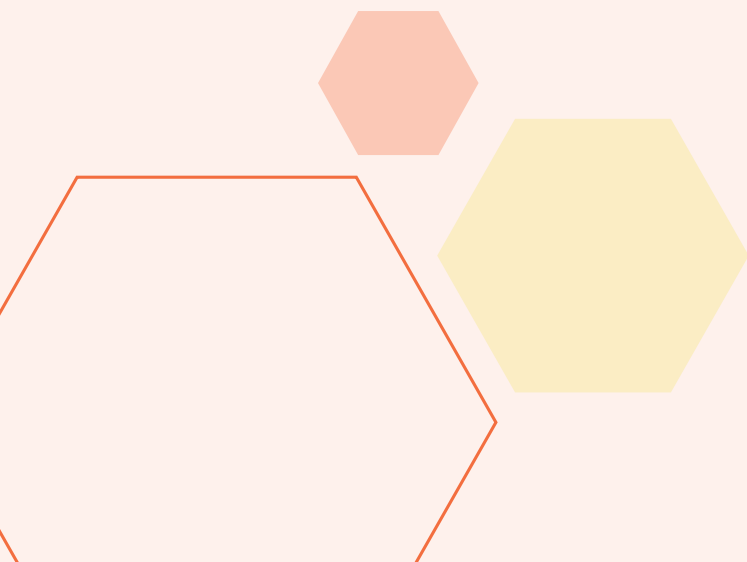
EBITDA  
42.7% ▲

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## Think Beyond Shape the Future

Since 1958, Foseco India Limited has been a trusted supplier of consumables to foundries, helping them improve their casting quality and productivity. With a commitment to innovation and excellence, Foseco India has established itself as a leading provider of foundry consumables, serving customers across various industries including automotive, aerospace, and rail. Our dedication to quality and customer satisfaction has made us a preferred partner for foundries across India.

As Foseco India Limited celebrates its 65<sup>th</sup> anniversary, the Company remains committed to pursuing innovation and transformation. By drawing on its rich history and learning from past experiences, Foseco continues to set industry standards and explore new horizons. The Company's unwavering focus on creating value for its stakeholders is driven by strong relationships with customers and partners, positioning Foseco at the forefront of the industry. With a strong foundation of 65 years, Foseco has established a legacy in providing high-quality solutions, and looking towards the future, the Company is excited to continue pushing the boundaries of what is possible and shaping a better world for generations to come.



# About Foseco India Limited

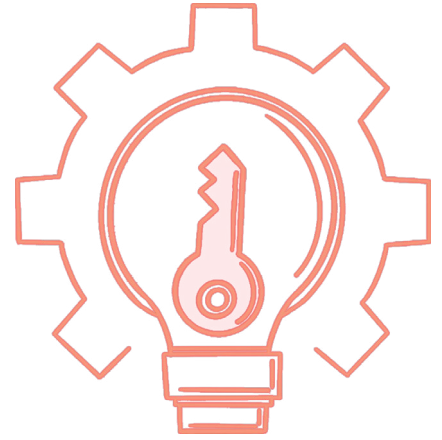
As a global leader in providing foundry consumables and solutions, Foseco understands the crucial role that consistency and productivity play in the highly sequential foundry process. Through advanced solutions and cutting-edge computer simulation techniques, Foseco empowers foundries to significantly reduce casting defects and improve product quality. The Company's products effectively minimise the need for labour-intensive fettling and machining, while optimising metal usage and automating key processes such as moulding and casting. By streamlining operations, Foseco helps foundries reduce their costs, energy usage and mould sizes, all while delivering exceptional results.

Foseco has been a leading provider of top-notch foundry solutions and products in India since 1958. With over six decades of experience, the Company's seasoned team of engineers and technical experts work closely with clients to gain a deep understanding of their unique needs and challenges. This allows Foseco to deliver tailored solutions that streamline their processes, boost productivity, and drive their bottom line. The Company takes great pride in its unwavering commitment to sustainability, safety, and social responsibility, which has earned it a reputation as a reliable and trustworthy partner for Indian foundries.



## Foseco India Limited – Fast Facts

Crafting high-quality castings in a foundry is a delicate interplay of several key factors, including the conditioning of molten metal, the type of mould utilised and the design of the metal flow into the mould. These critical parameters ultimately dictate the quality of the final castings, as well as the labour, energy, and metal usage efficiency of the foundry. At Foseco, innovative products and services are specifically designed to enhance these critical parameters and optimise foundry performance. Foseco is committed to improving efficiency, reducing defects, and ensuring exceptional quality with every casting. With Foseco's cutting-edge solutions and expertise, foundry operations can achieve new heights of success.



### Iron, Steel, Aluminum and other Non-Ferrous Foundries, Cast Houses and Pipe Plants

Key solution segments

**₹76.76 lakh**

CSR spend in 2022

**1/3<sup>rd</sup>**

Board gender diversity

**3**

Independent directors

**1**

State

**1**

Union territory

**1**

R&D centre

**2**

Production sites (Pune, Puducherry)

## Foseco Turns 65

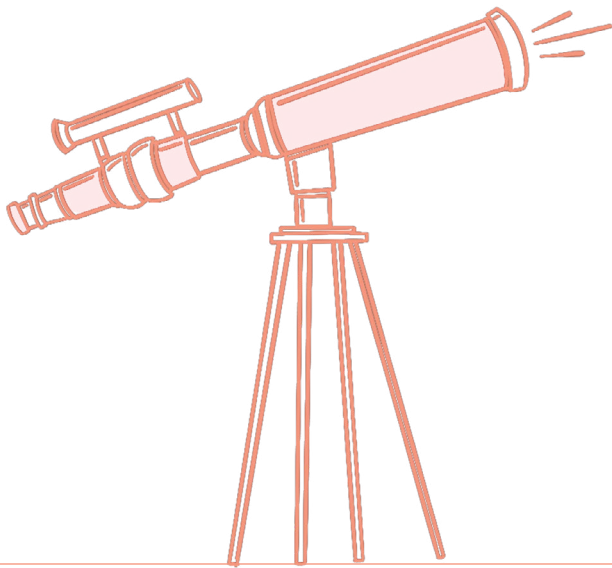
Foseco India Limited has been a key player in the industry for the past 65 years, delivering innovative technologies and solutions to meet the evolving needs of customers. Throughout its long history, the Company has remained true to its values of quality, reliability, customer service, and has continuously adapted to the changing market landscape. As a result, it has achieved numerous milestones and accomplishments, including recognition as a leading provider of foundry and steelmaking technologies.

As Foseco looks ahead to the future, it remains committed to its strategic vision of delivering value to stakeholders and driving growth and innovation in the industry. With a strong focus on customer satisfaction, a talented and dedicated team of employees and a culture of continuous improvement, Foseco India Limited is well-equipped to tackle the challenges of a rapidly changing market.

As it celebrates its 65<sup>th</sup> anniversary, the Company is proud of its rich history, excited about the opportunities that lie ahead and confident that it will continue to deliver value to stakeholders for many years to come.

## Vision, Strategy and Values

Foseco envisions being the top choice of the foundry industry while providing unmatched value to its customers. This would involve improving customer performance through a value-driven approach, and utilising proprietary technology and expertise to enhance foundry processes and casting quality.



### Foseco's vision is to become...

1

The preferred partner to the foundry industry providing the greatest value

2

A highly respected industry leader with which all stakeholders are proud to be associated

### Foseco's business strategy is to improve customers' business performance

1

By being the partner providing the greatest value

2

Based upon **world-class proprietary technology**, foundry process and application expertise, and **excellence in quality and customer service**

3

Achieved through a **solutions partnering and value-selling approach** delivering improved foundry processes and casting quality





## Foseco's CORE values are...



### Courage

Employees systematically say, decide and do what is right for Foseco, even when faced with difficult, unpopular or non-consensual decisions.

Employees proactively take leadership responsibility on challenging projects and topics crucial to the Company's performance. They are motivated by the prospect of success and are not paralysed by the risk of personal failure.

They express their opinions openly during discussions and defend group decisions once they have been taken, regardless of their initial position.



### Ownership

They manage the Company's money and resources as though they were their own.

Employees are personally accountable for the consequences of their actions and the performance of Foseco in their area of responsibility or oversight, without blaming external circumstances or the actions of others.

They demonstrate an entrepreneurial spirit by seeking and seizing business opportunities and immediately addressing problems that arise as soon as they become aware of them.



### Respect

The Employee demonstrates respect for the ideas and opinions of others, even when they differ from their own.

They communicate their objectives clearly and take the time to explain all decisions while promoting diversity at all levels of the Company. They also uphold the highest level of integrity in all their actions.

They encourage open debate, listening to and fostering respect and fairness with customers, suppliers, co-workers, shareholders, and the communities where Foseco operates.



### Energy

Employees work hard and professionally in pursuit of excellence.

They promote a positive and energising work environment and continuously deliver outstanding customer experience and innovative solutions.

They constantly raise the bar and challenge the status quo, inspiring and motivating their team to go the extra mile.

Employees never underestimate competitors and strive to reinforce the Company's leadership position.



# Business Model

A profitable, flexible, cash-generative model focussed on sustainable growth

## What Foseco does

Foseco develops and manufactures high-technology products and solutions predominantly for supply to the foundry casting industries. Over the years, the Company has built the brand equity of its products through technology leadership, reliability and service.



### Key Resources



### How Foseco Delivers



#### Financial Capital

The Company uses the cash generated by its business to invest in innovation, people, operating assets, technology and sales to generate further growth.



#### Manufactured Capital

Foseco has a national footprint, with 2 production sites across India ensuring proximity to customers.



#### Intellectual Capital

Foseco has one R&D centre of excellence, together with dedicated R&D staff generating innovative products and services that help customers make industrial processes safer, more efficient and more sustainable.



#### Human Capital

Foseco India Limited invests in developing a skilled and motivated workforce and the Company is committed to providing them with a safe work environment.



#### Social Capital

The Company champions its values and ethical conduct. It maintains strong relationships with customers and wider stakeholder groups.



#### Natural Capital

The Company uses high-quality raw materials, secured through reliable and well-developed and sustainable supply chains.

-  Foseco's industry experts are embedded at many customer locations and are therefore ideally placed to collaborate with customers to identify needs, and potential service and process improvements. This also enables the Company to grow its solutions and service portfolio
  
-  Foseco develops high-technology products that deliver quality enhancement, efficiency gains and energy savings to its customers. The Company focuses on environmental sustainability in its own business through the efficient use of energy and natural resources



## The Value Created

-  The model is profitable by allowing value pricing for bespoke products and services. It generates growth as the Company enlarges its market with additional innovative products and solutions
-  The model is resilient to end-market volatility due to the flexibility of its diversified manufacturing footprint and adjustable cost base, increasingly supported by automation
-  Foseco's commitment to ethical business delivers strong, long-term, sustainable commercial relationships

### Investors

The Company's cash-generative and low capital-intensity business provides returns to shareholders and underpins sustainable growth.

### Customers

Investment in innovation creates cutting-edge products and solutions, delivering enhanced value for the Company's customers and differentiating it from its competitors. The Company's technology solutions improve customer safety and remove operators from the most dangerous parts of the customers' processes. Foseco embeds technical experts with its customers, giving the Company a fundamental understanding of their needs and delivering them access to the Company's global network of highly skilled individuals.

### People

The Company focuses on the health and safety of all staff. Foseco engages with its people, encouraging and rewarding high performance to create an environment where all can realise their potential.

### Suppliers

Maintaining cost-effective access to high-quality raw materials is vital to success. Foseco's suppliers are critical to its business.

### Communities

Foseco is committed to maintaining positive relationships with the communities in which it operates. The Company's social responsibility activities complement its values and employees are encouraged to engage with communities and groups, local to its operations.

### Students and Graduates

Attracting new talent is vital for the Company's continuing success. Recruiting new students and graduates feeds the talent pipeline and allows Foseco to tap into new sources of up-to-date business ideas and R&D capability.

## Presence

Foseco's business strategy revolves around staying close to its customers. The Company's team of specialists have gained an unparalleled understanding of the market's methods, enabling them to promptly deliver innovative solutions tailored to meet every customer's needs.



## Innovation

Foseco remains committed to being a leader in technology development and innovation, positioning itself as a preferred solution provider for the foundries. With the ever-improving quality of innovative products and solutions offering, the strength of its optimised manufacturing cost base, and above all, the strong support and commitment of its people, the Company is confident of meeting its goals successfully.



## Awards and Recognitions

The reward and recognition initiatives of Foundry Excellence and Plant Performance Awards for exceptional performances further, reinforce the appreciation and engagement culture amongst the employees which have helped in creating a mindset of a performance-oriented organisation.

As always, Foseco has once again won the Vesuvius Group Safety Award, proving the point that it follows a high standard towards safety. Foseco was also adjudged as the **'Best Sustainability Supplier'** by a leading customer.

Foseco was recognised by Dun & Bradstreet as the **'Emerging Mid-Corporates of India 2022'**.

## Good Governance

Good governance is a crucial aspect of Foseco's operations, ensuring that the Company is run in a responsible, ethical, and sustainable manner. Foseco places a strong emphasis on transparency, accountability, and adherence to the law and regulations, to build trust and confidence with all stakeholders, including employees, customers, shareholders, and the communities in which it operates. Through effective governance practices, Foseco aims to create long-term value and foster a culture of integrity, innovation, and continuous improvement.

Foseco has maintained a strict code of conduct, reflecting its core values of courage, ownership, respect, and energy since its inception. Although the Company has evolved and grown over the years, its unwavering commitment to eight key areas has remained constant.

Further information with regards to Foseco's robust governance framework can be found on its website where the numerous policies are published.



## Adherence to Company Policies

As Foseco India Limited celebrates 65 years of excellence, the Company remains steadfast in its commitment to maintaining the highest ethical and professional standards.

### Code of Conduct

Foseco’s standards of conduct are outlined in its Code of Conduct, which applies to all employees across its operations. The Code emphasises the Company’s commitment to ethics and compliance with laws, covering all aspects of business operations, from engaging with stakeholders to ensuring employee safety. Each employee is held responsible for complying with the Code’s requirements.



#### The 8 Key Areas of Foseco’s Code of Conduct

<b>Health, safety, and environment</b>	<b>Trading, customers, products and services</b>	<b>Anti-bribery and corruption</b>	<b>Employees and human rights</b>
<b>Disclosures and investors</b>	<b>Government, society and local communities</b>	<b>Conflicts of interest</b>	<b>Competitors</b>

Foseco recognises that sustainable business success goes beyond financial performance and extends to interactions with customers, business associates, employees, investors, and communities. The Code of Conduct is prominently displayed on its website and is available in seven major languages. To ensure that they remain relevant and effective, the Company continuously improves the policies supporting the Code’s principles, providing practical guidance to help employees meet ethical standards and legal requirements in the jurisdictions where Foseco conducts business.



#### Foseco’s Policies for Conducting Ethical and Fair Business

<b>Board Diversity Policy</b>	<b>Statement on Modern Slavery</b>	<b>Human Rights Policy</b>
<b>Quality Policy</b>	<b>Sustainable Procurement Policy</b>	<b>Health, Safety and Environment Policy</b>

The Company is committed to upholding these policies and ensuring that they are followed throughout all of its operations. For instance, through the Company’s independent “Speak up” helpline, employees can report their concerns or do so directly to management, where all reports are reviewed and investigated independently. Employees are given confidentiality and encouraged to report any decisions that conflict with the letter or spirit of the Code of Conduct, the law, or any of the Company’s policies.





# Board of Directors

Foseco's Board of Directors is committed to upholding the highest standards of corporate governance and ethical conduct. Their leadership and guidance ensure the Company's long-term success while fulfilling its fiduciary duties to shareholders.



**Mr. Ravi Kirpalani**  
Non-Executive Independent Director & Chairperson

- Appointed as Non-Executive Independent Director and Chairperson of Foseco India Limited on October 26, 2018
- Holds a Bachelor of Arts (Honours Course) degree in Economics from the University of Delhi and a Post-Graduate Diploma in Management from the Indian Institute of Management, Calcutta
- He was earlier the MD and CEO of Thyssenkrupp India Private Limited
- He has worked for over 16 years with Castrol/BP in India and the UK, and served as Managing Director of Castrol India Limited
- Brings over 35 years of experience in sales, marketing, and strategy development, and has worked with global and culturally diverse teams
- Passionate about building customer relationships, brands, and culture based on values
- He is the Chairperson of the Stakeholders' Relationship Committee and a Member of the Audit Committee, Nomination and Remuneration Committee, the Risk Management Committee and the Corporate Social Responsibility Committee of the Board



**Mr. Prasad Chavare**  
Managing Director & CEO

- Mr. Prasad Chavare is a Bachelor of Engineering (Mechanical) from Pune University and a Master of Business Administration in Marketing Management from Pune University
- He has been appointed as the Managing Director and Chief Executive Officer (MD & CEO) for a period of 5 years with effect from June 1, 2021 up to May 31, 2026
- Mr. Chavare has extensive experience of over two decades in diverse industries such as Automotive, Power Generation, Turnkey Projects, Construction and Building Materials, spanning across continents
- He has an international stint of seven years and has led cross-functional regional and global teams, bringing in his diverse experience in Business Turnaround and Business Operations Restructuring, Strong P&L Management, Sales, Marketing, Six Sigma and Supply Chain Management
- His last assignment was with Cummins Technologies India Private Limited as a Whole-time Director and a country leader. He has also worked with Hilti India
- He was leading the overall Cummins Turbocharger India business by managing multi-site manufacturing plants, building strong customer relationships, developing overall business plans for profitable growth, and driving safety and continuous improvement across all functions
- Mr. Chavare is a well-recognised speaker in Leadership, Strategy, Marketing, and Six Sigma. He is passionate about leadership development and creating the right environment by implementing structured employee engagement initiatives to build the right culture based on strong foundational core values



**Ms. Anita Belani**  
Non-Executive Independent Director

- Ms. Anita Belani was appointed as Non-Executive Independent Director on the Board of Foseco India Limited on June 21, 2019
- Ms. Belani has 30+ years of experience as a senior business and human capital leader post-MBA
- She completed her MBA from XLRI, Jamshedpur and her B.A.(Hons) in Economics from Miranda House, University of Delhi
- Specialises in assignments across sectors, leveraging extensive human capital and consulting background to provide strategic leadership solutions for clients
- Previously worked with Watson Wyatt India as Country Head responsible for building a successful consulting brand for the organisation
- She has also worked with Sun Microsystems in San Francisco and KPMG in the USA in senior business partner roles, as well as American Express TRS earlier in her career
- She is the Chairperson of the Corporate Social Responsibility Committee and the Nomination and Remuneration Committee. She is also the Member of Stakeholders Relationship Committee, Audit Committee and Risk Management Committee of the Board of the company



**Mr. Amitabha Mukhopadhyay**  
Non-Executive Independent Director

- Mr. Amitabha Mukhopadhyay was appointed as a Non-Executive Independent Director on the Board of Foseco India Limited on July 27, 2021
- He is a graduate of the University of Calcutta in Physics (Hons) and a Chartered Accountant from the Institute of Chartered Accountants of India and a rank-holder. Additionally, he is also a law graduate from Pune University
- Mr. Mukhopadhyay is an active contributor to industry forums and is a Governing Body member of the Association of Finance Professionals of India. He has worked as Group CFO for leading Indian groups for almost two decades and also held roles as Business Head of disparate businesses
- He held leadership roles in corporate finance, M&A and corporate strategy during his career mostly divided between Tata Group and Thermax spanning over nearly three decades
- Mr. Mukhopadhyay was on the Boards of several JV companies of the Tata Group including Tata GS Yuasa Batteries, Tata Yazaki and Tata Toyo Radiators
- He is the Chairperson of the Audit Committee and the Risk Management Committee. He is also the member of the Stakeholder Relationship Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee of the Board of the Company



**Ms. Karena Cancelleri**  
Non-Executive Non-Independent Director

- Ms. Karena Cancelleri is an Italian citizen. She holds a Master's degree in Chemistry from the University of Turin in Italy and a degree of Master of Business Administration from the University of Strathclyde, Glasgow, United Kingdom
- On October 31, 2019, she was appointed as a Non-Executive Non-Independent Director on the Board of Foseco India Limited, representing the Holding Company - Foseco Overseas Limited
- She has worked as VP of Engineered Products for Beaulieu International Group from 2013 to 2019. She has also held management positions in companies such as Shell Chemicals, Kraton Corporation, and FiberVisions
- Ms. Cancelleri has more than 20 years of international leadership experience in developing and executing successful global business strategies
- She is a Member of the Nomination and Remuneration Committee and Risk Management Committee of the Board of the Company



**Mr. Mark Russell Collis**  
Non-Executive Non-Independent Director

- Mr. Mark Russell Collis is a British citizen and Chartered Accountant. He was appointed as a Non-Executive Non-Independent Director on the Board of the Company on February 27, 2023, as a nominee of the Holding Company - Foseco Overseas Limited
- Mr. Collis has as an Executive Director and Chief Financial Officer of Vesuvius plc
- He has more than 20 years of senior financial experience and operational and leadership skills, having held management roles in several international businesses, including Amec Foster Wheeler plc, Expro International Group, and as the Chief Financial Officer of the Operations business of John Wood Group PLC
- Mr. Collis has been appointed a member of both the Audit Committee and the Risk Management Committee of the Board of the Company

# Message from the Chairman



## Dear Stakeholders,

I am pleased to present Foseco's Annual Report for the year 2022. For 65 years, Foseco India has been dedicated to being a trusted and valued partner to all our stakeholders and we are committed to continuing this tradition going forward as well.

## Economic Overview

In 2022, the global economy started on a positive note with GDP having grown by 6.1% in 2021 after the pandemic-induced contraction of -3.1% in 2020. However, the world quickly faced some significant headwinds. In February, the energy markets took centre stage after Russia invaded Ukraine, resulting in a spike in prices of crude oil and natural gas. Inflation in many countries hit levels not seen since the 1980s. The prices of food grains and essential items rose drastically in many countries due to the energy crisis and higher interest rates as Central Banks around the world tightened monetary policy.

Despite these challenges, the Indian economy remained resilient even in the face of a deteriorating global situation. India's nominal GDP at current prices is estimated to be ₹232.15 trillion in December 2022 and has expanded by 15.4% over December 2021. Indeed, India is amongst the fastest-growing major economies in the world. Large public CAPEX investments into infrastructure and a moderating rate of inflation will help India grow at 6.5%.

## Industry Overview

The foundry industry had been facing tough challenges for the past few years starting with the pandemic and then an increase in input costs. However, looking ahead, the prospects of the Indian foundry industry look positive with significant scope to grow. The automotive demand especially passenger car demand, has started increasing and commercial vehicle sales grew in 2022 over 2021, on the back of demand from the e-commerce sector and government spending on infrastructure. The government is expected to continue increasing its investment in improving the railways and building other essential infrastructures, creating an increased demand for construction, mining, and general engineering goods. This would provide tailwinds for the foundry industry and in turn for services companies like Foseco.

## Performance Overview

In the past year, Foseco delivered strong financial and operational performance. Last year has seen your Company's topline grow while improving profitability and maintaining the total trade working capital. Our revenue has increased by 20.3% while profit after tax has risen by 40.7% compared to 2021.

As we head into 2023, we recognise the uncertainty in global economic developments, however, your Company's priority is to consolidate further by continuing to drive profitable growth and strengthen our market position.

We are committed to delivering value to our stakeholders and contributing to sustainable development. To achieve this, we have taken several key strategic initiatives, including investments in capacity, innovation, and sustainability. In the past year, your Company has made significant progress in these areas by launching new products and technologies that improve casting quality, reduce emissions, and optimise resource usage.

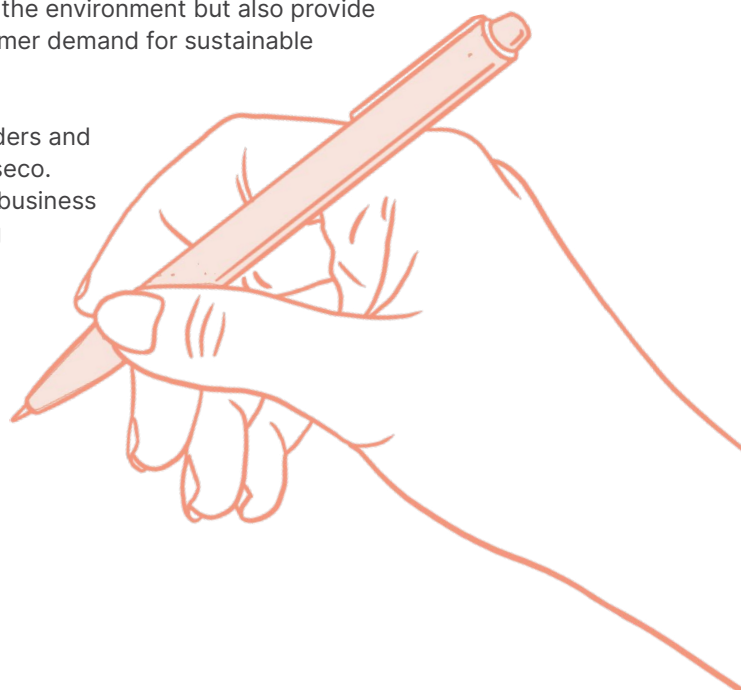
## Sustainability

In 2022, your Company held a sustainability drive with well-defined targets concerning CO2 and wastewater. Foseco has also taken steps to increase its use of renewable energy sources in the form of the installation of a solar power project in Pune with a capacity of 565 kW. Further, we have worked to reduce your Company's carbon footprint, implement energy-efficient processes and neutralise secondary energy with green energy contracts. These strategic initiatives not only benefit the environment but also provide Foseco with a competitive edge by enabling it to meet customer demand for sustainable solutions and comply with increasingly stringent regulations.

In conclusion, I would, once again, like to thank our stakeholders and employees for their continued support and confidence in Foseco. We remain committed to navigating through the challenging business environment with a focus on sustainable growth and building long-term value for our stakeholders.

Sincerely,

**Ravi Kirpalani**  
Non-Executive Independent  
Director & Chairperson





# From the MD and CEO's Desk

## Dear stakeholders,

It is my pleasure and privilege to address you as the Managing Director and CEO of Foseco India and share with you our progress and achievements over the past year.

As we continue to navigate through unprecedented times, I am proud to say that our team at Foseco has remained resilient, adaptive, and dedicated to our mission of delivering excellence to our customers. Our success would not have been possible without the unwavering support of our stakeholders, and I am grateful for the trust you have placed in us. In this letter, I would like to take the opportunity to reflect on our accomplishments, challenges, and priorities for the future.



Our financial performance has been strong in the past year, despite the challenging business environment. Our total revenue from operations grew by 20.3% to ₹40,673 lakh, compared to ₹33,801 lakh in 2021. Our EBITDA increased by 42.7% to ₹7,023 lakh, compared to ₹4,920 lakh in 2021. Our PAT also grew by 40.7% to ₹4,597 lakh, compared to ₹3,267 lakh in the previous year.

Overall, we delivered record results and profitability, despite a difficult environment and challenging inflationary cost pressures.

## Safety

"Foseco is our Pride and Safety is in our every Stride"! Safety is every employee's responsibility. We are continuously building a positive safety culture across the organisation. Safety leadership is demonstrated by safety line walks and safety dialogues at defined frequency with a focus on leading indicators by every team member. I am proud to inform you that we have more than 4000 LTI free days on our sites

## Sustainability and Innovation

In addition to our financial success, we have made substantial progress in our sustainability initiatives, having set a target for reduction by 25% of CO2 emission by 2025 by implementing more efficient manufacturing processes and investing in renewable energy sources. We have also increased our use of recycled materials in our production process, resulting in reduction of waste generated.

Our commitment to innovation has been highlighted by the launch of several new products during the year combined with our solutions partnering approach. These products and solutions have been well-received by our customers and have contributed to our revenue growth. We have also expanded our market presence by establishing new partnerships and increasing our sales efforts in strategic regions. We put every effort to raise the standard of the way we serve our customers – one such example is we launched Foseco store in Coimbatore to cater to the needs of small and micro foundries.

## Corporate Social Responsibility

We are proud to share that over the year, the Company made considerable progress in our CSR initiatives, with a focus on creating a positive impact on the lives of the disadvantaged, vulnerable and marginalised segments of society. Our CSR activities encompass a range of areas, including education, healthcare, social causes, environment and information technology, and are carried out in collaboration with several Rotary Clubs in Pune.

Our ongoing association with Jehangir Hospital for the detection and treatment of juvenile diabetics is a reflection of our commitment to healthcare. We also distributed biomass cookstoves under the 'Happy Family Kit' banner to needy families in slum, rural and semi-urban communities, providing a convenient and environment-friendly alternative to traditional cookstoves.

In the area of education, we took steps to provide free education and stay for children of migrant workers and labourers by building infrastructure in a residential school near our plant. We have also provided bunk beds to the school to motivate children residing nearby to attend school. We have also sponsored the engineering education of bright girl students who come from less-privileged background. As we move forward, the Company will continue to work on social projects that are in line with our CSR policy. I look forward to

continue to make the difference in the communities which we live in.

## People Engagement and Development

The Human Resources function at our Company is dedicated to delivering and defining people strategies that align with the growth of talent and the organisation. In 2022, we focused on attracting and onboarding the right talent while developing a culture of engagement, appreciation, and growth. We took number of initiatives on people engagement by conducting periodic team events, spot recognition of our team members, launching graduate and apprentice program, providing the right tools and resources to our employees, conducting training and development programs in line with our business strategy and celebrating our success together with foundry excellence awards in CORE values and performance. Our people are our greatest asset and I take this opportunity to thank our people for their commitment and contributions towards making this company stronger every day.

## In closing

I would like to express my gratitude to all our shareholders for their continued support and trust in Foseco. We have successfully navigated the challenges presented by the global pandemic and emerged stronger, thanks to the resilience of our employees and the unwavering commitment of our leadership team. As we look ahead, we remain focused on driving sustainable growth through innovation, operational excellence and people development. Our efforts in CSR, HR, and other critical areas will continue to propel us towards achieving our long-term goals. With the support of our shareholders and employees, we are confident that we will continue to create value for all our stakeholders in the years to come.

Sincerely,

**Prasad Chavare**  
Managing Director & CEO

## CFO's statement



**Strong Financial Results for the year 2022 with Record-High Revenue from Operations reflecting our commitment to customers, along with an EBIDTA, PAT and cash flow gives an upright start to short and mid-term corporate strategy.**

Revenue from operations for year 2022 was ₹40,673 lakh, an increase of 20.3% over 2021, EBIDTA and PAT has shown an increase of 42.7% and 40.7% respectively and increase in net cash generated from operating activities was ₹3889 lakh from the previous fiscal year. An all-round financial performance with most of the financial KPI's were at record high or shown a good progress.

Factors behind this strong performance include growth in sales through continuous value creation for our customers, and profitability improvements achieved through continuously monitoring our pricing strategy and optimizing costs.

We have also made steady progress in strengthening the balance sheet and ensuring its soundness by having ample cash, healthy assets with good debt equity and current ratio. With our balance sheet and operational capabilities further strengthened, FIL is well positioned to address future challenges and deliver on its strategic ambitions.

Sincerely,

**Mohit Mangal**  
Chief Financial Officer





## Business Overview

Foseco is a world leader in developing and providing consumable solutions for foundries and steelmaking industries. With a focus on innovative and sustainable solutions, Foseco's products and services improve casting quality, reduce defects, and enhance efficiency in the metal casting process.

### A Snapshot of Foseco's Business

Foseco is a global leader in providing products and services to ferrous and non-ferrous foundries, catering to various end-markets ranging from large bespoke castings to high-volume automotive pieces. It strives to improve the casting quality and foundry efficiency through its cutting-edge technology and innovative solutions while keeping a constant focus on technical service.

Foseco has a strong presence across all major foundry markets worldwide with a manufacturing footprint close to its customers. It invests heavily in research and development, above the industry average, to offer business-enhancing solutions and stays ahead of the curve in terms of technology.

### Foseco's Solutions

Foseco offers a range of solutions to the foundry industry, aimed at improving casting quality and foundry efficiency. Their solutions are categorised into three segments: Foundry, Iron & Steel, and Industrial Processes. With a strong focus on technical service and market-leading technology, Foseco's solutions are designed to enhance business performance and provide customers with customised solutions to meet their specific needs.



## Foundry

The Foundry division, responsible for approximately 30% of the total Group revenue, is a well-established global name, synonymous with trust, innovation and quality in providing consumable products and related services to the foundry industry. The Company's solutions and advanced computer simulation techniques allow foundries to reduce casting defects such as pinholes, shrinkage cavities, inclusions, scabbing, penetration or veining. Within the foundry segment, the solutions are further segmented into the following:



### Ferrous & Non-Ferrous Foundries

Foseco offers a wide range of foundry consumables and equipment to meet the requirements of iron, steel, aluminum and other non-ferrous foundries cast houses and pipe plants.

## Foseco's Market Position

Foseco has established itself as a leading player in the global foundry industry, providing a range of innovative and value-adding solutions to its customers. With a focus on technical service and market-leading technology, the Company has developed a strong reputation for improving casting quality and foundry efficiency. The Company has manufacturing footprints close to all the main foundry markets in the world, and its engineers are progressively integrated within the global network of experts. This positioning, combined with its commitment to R&D and technical expertise, has enabled Foseco to maintain a strong market position and provide its customers with tailored solutions that meet their unique needs.

## Foseco's Strength



### Solutions Offering

Foseco's team, both locally and internationally, is committed to creating innovative and customised solutions by developing new toolkits. This is achieved by utilising an in-depth understanding of the customers' processes.



### Technical Support

Foseco's customers have access to a wealth of application engineering resources, which can help them optimise their processes and improve product performance.



### Proximity

Foseco has a global presence and a significant reach in India, enabling them to cater to a wide range of customers in the country.



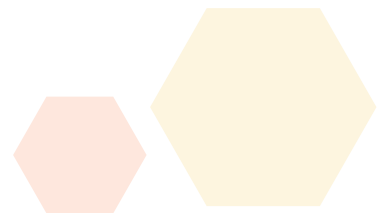
### Innovation

Foseco boasts industry-leading technologies that are continuously innovated to provide cutting-edge solutions.



### Products Offering

A complete spectrum of top-notch products and services.





## Quality, Service and Safety Certifications

Foseco's unwavering commitment to quality and safety is reflected in its numerous certifications, which serve as a testament to the Company's dedication to delivering products and services of the highest standards. Foseco has attained various certifications, including ISO 9001 and 45001, which demonstrate its rigorous quality & service management system and safety management system, respectively. These certifications, along with others, enable Foseco to enhance its market position, differentiate itself from competitors, and instil confidence in customers, who rely on Foseco's products and services to improve their casting processes and achieve superior results.



### Quality Management System Certificates

All of Foseco's locations in India (Pune and, Puducherry) are ISO 9001:2015 certified.



### Safety Management System Certificates

Foseco's Puducherry and Pune locations are ISO 45001:2018 certified.

## Growing Customer Base

As a leading provider of foundry solutions, Foseco continues to expand its customer base with unparalleled expertise and exceptional services.

### Market Share

Foseco's dominance in the market is a force to be reckoned with, as its substantial market share continues to grow.

## Outstanding Brand Reputation

Foseco has built a strong brand reputation over the years, becoming synonymous with quality, reliability, and innovation in the foundry industry. This has enabled it to cement its market position as a leading provider of solutions and services to customers around the world.

The Company's reputation is further enhanced by its participation in various industry events and conferences, which not only help to showcase its products and services but also provide valuable networking opportunities. These events are a regular part of the Company's calendar, demonstrating its commitment to staying at the forefront of the industry and maintaining strong relationships with customers and partners.

## Major Customers and Markets

Foseco's outstanding market position is underpinned by its major customers and markets. The Company serves the global foundry industry, which encompasses a wide range of end markets, from large bespoke castings to high-volume automotive pieces. With primary customers being ferrous and non-ferrous foundries, and a presence in all of the main foundry markets worldwide, Foseco is well-positioned to serve its customers' needs.

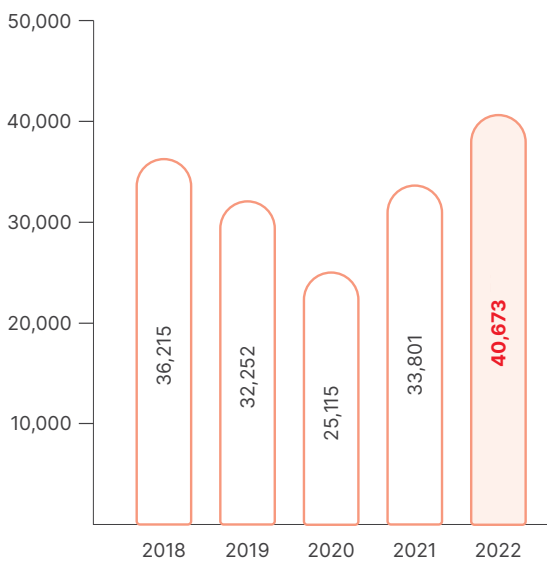


# Key Performance Indicators

The Company has recorded an improvement in a majority of its key financial parameters, largely due to sales revenue growth of its premium strategic product lines coupled with prudent credit evaluation of targeted customers.

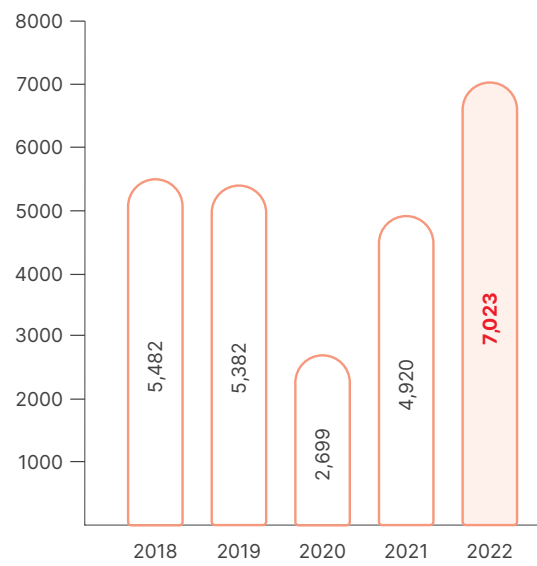
## Revenue from operations

(₹ in lakh)



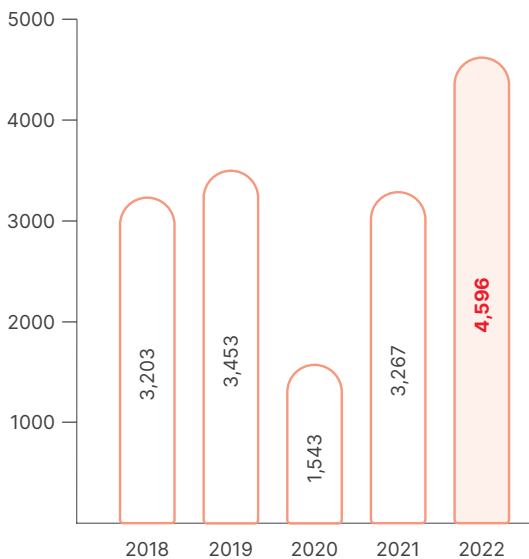
## EBITDA

(₹ in lakh)



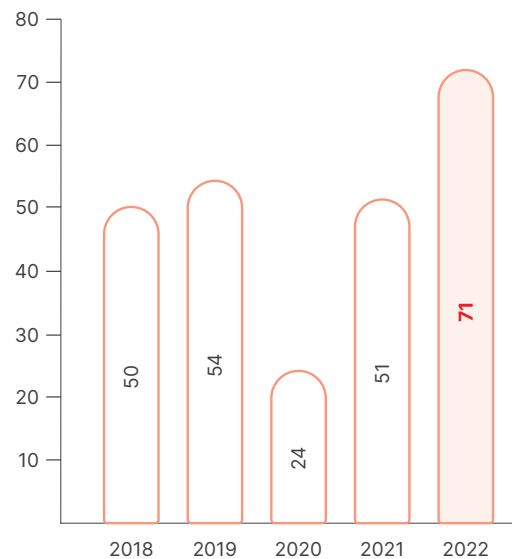
## PAT

(₹ in lakh)



## Earnings per share

(₹)



# Sustainability and Corporate Social Responsibility

Foseco has a legacy of being a socially responsible corporate citizen, spanning 65 years, that has driven the Company's efforts towards sustainable growth. The Company has adopted an integrated sustainability strategy that focuses on the pillars of "Our Communities," "Our People," and "Our Customers," aiming to achieve a balanced approach towards sustainable development. The strategy first set up in 2020, has been continuously improved in 2021 and further consolidated in 2022. Through this strategy, Foseco is committed to creating long-term value while minimising environmental impacts, contributing to the well-being of local communities, promoting employee well-being, and delivering innovative solutions to customers that support their sustainability goals.

## Safety

Foseco is committed to ensuring the safety of its employees, contractors, visitors, customers, and anyone else affected by its work and business activities. All operations are carried out with the utmost care and attention to prevent accidents and promote a safe work environment. Foseco's safety standards go beyond compliance with regulations, and the Company continuously seeks to improve its safety culture

through training, risk assessments, and the adoption of best practices. Foseco is committed to protecting its employees and takes an integrated, comprehensive approach to manage workplace risks covering people and property. This is further reflected in the Company's Safety Management System Certificates and its Health and Safety Policy.

## Foseco's Safety Beliefs



Good health and safety is good business



Safety is everybody's responsibility






Working safely is a condition of employment



All work-related injuries and work-related ill-health are preventable

## Foseco's Safety Aims

-  No accidents
-  No repeat injuries
-  No harm to people

## People

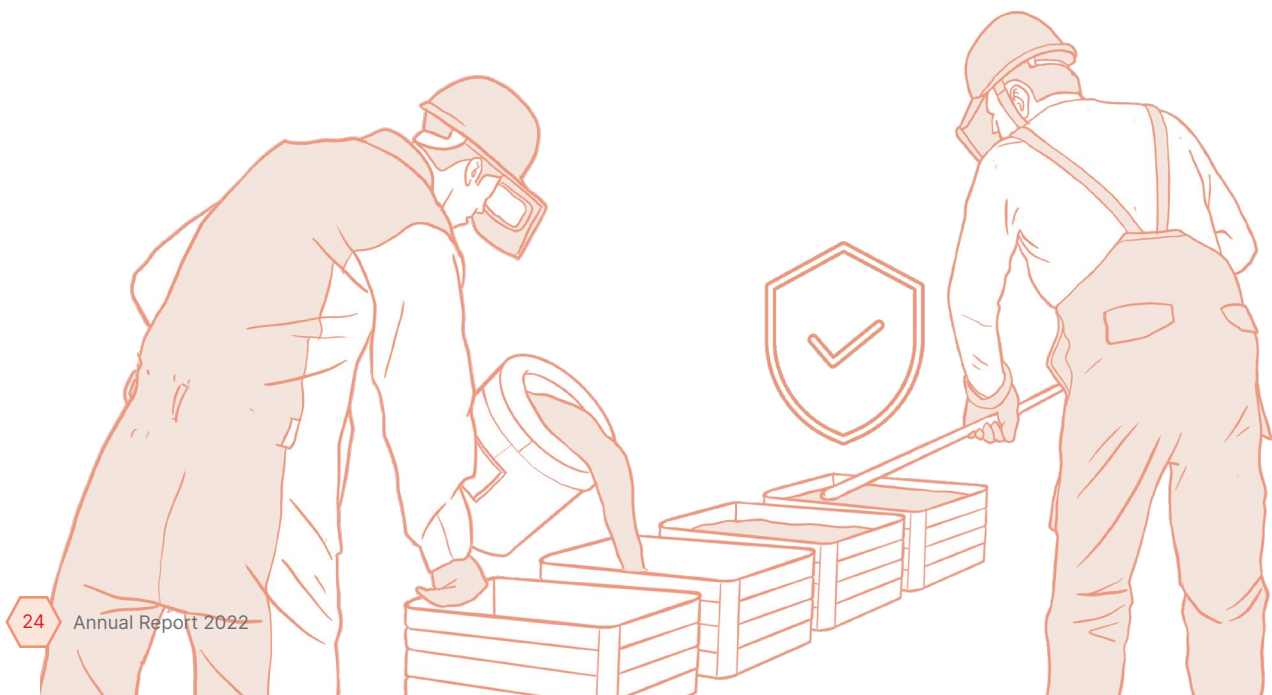
Foseco recognises that the safety, personal growth, and job satisfaction of its employees are critical to the Company's success and growth. The Company's strategic objective is to ensure a secure workplace for its employees and provide them with opportunities for professional development.

### Foseco's 8 Core Safety Rules

- 1**  
Always wear mandated personal protective equipment
- 2**  
Only operate equipment or vehicles if trained and authorised
- 3**  
Do not remove, bypass or tamper with machine guarding and safety devices
- 4**  
Lock, tag, and try before any intervention on a machine
- 5**  
Make sure all high-risk activities are covered by a daily permit to work
- 6**  
Always ensure the fall protection is secure before working at a height
- 7**  
Before entering a confined space, check and ensure that the employee can breathe and escape
- 8**  
Only perform electrical work if certified and authorised

How the Company goes beyond safety and delves deeper to ensure the welfare of its people. "Every opinion counts" is the philosophy that has been continued in 2022 which is focused on enhancing employee engagement. This ensures that there is a constant dialogue with internal stakeholders via structured town hall communication.

Initiatives on training and development, annual health check-up programmes, and rewards and recognitions for exceptional performances help in building organisational resilience and drive value by connecting talent to business strategy.



# Corporate Information

## Board of Directors

**Ravi Moti Kirpalani**  
Director & Chairperson

**Prasad Chavare**  
MD & CEO

**Anita Belani**  
Director

**Amitabha Mukhopadhyay**  
Director

**Karena Cancilleri**  
Director

**Mark Russel Collis**  
Director

## Chief Financial Officer

**Mohit Mangal**

## Company Secretary & Compliance Officer

**Mahendra Kumar Dutia**

## Audit Committee

**Amitabha Mukhopadhyay**  
Chairperson

**Ravi Moti Kirpalani**

**Anita Belani**

**Mark Russel Collis**

## Stakeholders Relationship Committee

**Ravi Moti Kirpalani**  
Chairperson

**Anita Belani**

**Amitabha Mukhopadhyay**

**Prasad Chavare**

## Nomination & Remuneration Committee

**Anita Belani**  
Chairperson

**Ravi Moti Kirpalani**

**Amitabha Mukhopadhyay**

**Karena Cancilleri**

## Corporate Social Responsibility Committee

**Anita Belani**  
Chairperson

**Ravi Moti Kirpalani**

**Amitabha Mukhopadhyay**

**Prasad Chavare**

## Risk Management Committee

**Amitabha Mukhopadhyay**  
Chairperson

**Ravi Moti Kirpalani**

**Prasad Chavare**

**Anita Belani**

**Karena Cancilleri**

**Mark Russel Collis**

## Registered Office

**Gat Nos.** 922 & 923, Sanaswadi,  
Taluka Shirur, District  
Pune – 412208

**Tele:** +91 (0)2137 668100

**Website:** www.fosecointia.com

**E-mail ID:**  
investor.grievance@vesuvius.com

**CIN:** L24294PN1958PLC011052

## Factories

**Sanaswadi, Pune**

**Puducherry**

## Statutory Auditors

**Price Waterhouse Chartered Accountants LLP**

## Bankers

**Standard Chartered Bank**

**ICICI Bank Ltd.**

**HDFC Bank Ltd.**

**State Bank of India**

**IndusInd Bank**

## Registrars and Share Transfer Agents

**Link Intime India Private Limited**

Block 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Near Ganesh Mandir, Pune 411 001

**Tel.:** 020 2616 0084/1629

**Email:** pune@linkintime.co.in

**Website:** linkintime.co.in









## Foseco India Limited

Registered Office: Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur,

District Pune – 412208

Tele: +91 (0)2137 668100, Fax: +91 (0)2137 668160,

Website: [www.fosecointia.com](http://www.fosecointia.com), E-mail ID: [investor.grievance@vesuvius.com](mailto:investor.grievance@vesuvius.com)

Corporate Identity Number: **L24294PN1958PLC011052**

## Notice to the Members

**NOTICE IS HEREBY GIVEN THAT the 66<sup>th</sup> Annual General Meeting** of the Members of **Foseco India Limited (“the Company”)** will be held on **Wednesday, May 24, 2023 at 1430 Hours (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)**, to transact the businesses as mentioned below. The venue of the meeting shall be deemed to be the Registered Office of the Company at Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur, District Pune - 412 208.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at December 31, 2022, the Statement of Profit & Loss and the Cash Flow Statement for the financial year ended on that date including the explanatory note annexed to, or forming part of, the aforementioned documents, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a Final Dividend of ₹ 25/- per share (i.e., 250%) on the paid-up equity share of ₹ 10 each of the Company for the financial year ended December 31, 2022, plus a one-time special dividend of ₹ 15/- (150%) taking the total final dividend to ₹ 40/- (400%) per share.
3. To appoint a Director in place of **Karena Cancilleri (DIN: 08598568)**, who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

#### 4. Re-appointment of Ravi Moti Kirpalani as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and such other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 (including any

statutory modification(s), amendment(s), variation(s) or re-enactment thereof for the time being in force), **Ravi Moti Kirpalani (DIN: 02613688)**, a Non-Executive Independent Director on the Board of the Company, whose first term of office comes to an end on October 25, 2023, has submitted declarations that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and further proposing himself as a candidate for the office of Director, based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors under Section 160 of the Act be and is hereby re-appointed as a Non-Executive Independent Director of the Company for a second consecutive term commencing from October 26, 2023 and ending on October 25, 2028, not liable to retire by rotation.”

#### 5. Appointment of Mark Russell Collis as a Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 152 and such other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s), variation(s) or re-enactment thereof for the time being in force), **Mark Russell Collis (DIN: 10054384)**, who has been appointed as an Additional Director of the Company, pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, with effect from February 27, 2023, and whose term of office expires at the Annual General Meeting, has submitted a declaration that he is eligible for appointment and that he has given a notice in writing proposing himself as a candidate for the office of Director, based on the recommendation of

the Nomination and Remuneration Committee and approval of the Board of Directors under Section 160 of the Act be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.”

**6. Ratification of the remuneration payable to the Cost Auditor for the financial year ending on December 31, 2023**

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14

of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration decided by the Board of Directors, based on the recommendation of the Audit Committee, be and is hereby ratified and confirmed for a sum of ₹ 4,20,000/- (Rupees four lakh twenty thousand only) plus Goods and Services Tax at the applicable rates and reimbursement of out of pocket expenses payable to Joshi Apte & Associates, Cost Accountants, Pune (Firm Registration No: 000240) who have been appointed by the Board of Directors of the Company, for conducting the audit of the cost records of the Company for the financial year ending on December 31, 2023.”

**Registered Office:**

Gat Nos. 922 & 923,  
Sanaswadi, Taluka Shirur,  
District Pune 412 208

**Date:** February 27, 2023

By Order of the Board of Directors

**Mahendra Kumar Dutia**

*Controller of Accounts & Company Secretary*

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') with respect to Special Businesses as set out above is annexed hereto. Further, disclosures as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ('SS-2') with respect to details of Directors who are proposed to be appointed / re-appointed is set out in the Explanatory Statement.
2. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote, provided the votes are not already cast by remote e-voting by the first holder.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, May 18, 2023 to Wednesday, May 24, 2023 (both days inclusive)** in terms of the provision of Section 91 of the Companies Act, 2013, for determining the entitlement of the members to the payment of final dividend, if declared at the Meeting.
4. The final dividend, if declared at the AGM, shall be paid / credited on or before **Thursday, June 22, 2023** as under, to those Members of the Company:
  - i) whose names appear in the Company's Register of Members in respect of shares held in physical form, after giving effect to all valid share

transmission request lodged with the Company on or before the close of business hours on **Wednesday, May 17, 2023**; and

- ii) whose names appear as beneficial owners in respect of shares held in demat form, as per the details furnished for this purpose by the National Securities Depository Limited and the Central Depository Services (India) Limited, as of the close of business hours on **Wednesday, May 17, 2023**.
5. Members holding shares in identical order of names in more than one folio, are requested to write to the Company's Registrar & Share Transfer Agent, Link Intime India Pvt. Ltd., at Block 202, 2<sup>nd</sup> Floor, Akshay Complex, Off Dhole Patil Road, Pune - 411 001 (Phone No. 020-2616 1629 / 2616 0084, Email: [pune@linkintime.co.in](mailto:pune@linkintime.co.in) or [umesh.sharma@linkintime.co.in](mailto:umesh.sharma@linkintime.co.in)) enclosing their share certificate(s) to enable the Company to consolidate their holdings in one single folio.
6. Pursuant to the provisions of the Income Tax Act, 1961 ("the IT Act"), dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at rates prescribed in the IT Act. In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, Income Tax PAN (including that of joint holders, if any), and also Category as per the IT Act. Additionally, Members are also advised to update their bank account

details, any change in address and / or name, submit National Electronic Clearing Service (NECS) or Electronic Clearing Service (ECS) mandates, nominations, e-mail address, contact numbers, etc., if not so done, by writing to the Company's Registrar & Share Transfer Agents, Link Intime India Pvt. Ltd., at Block 202, 2<sup>nd</sup> Floor, Akshay Complex, Off Dhole Patil Road, Pune - 411 001 (Phone No. 020-2616 1629 / 2616 0084, Email: [pune@linkintime.co.in](mailto:pune@linkintime.co.in) or [umesh.sharma@linkintime.co.in](mailto:umesh.sharma@linkintime.co.in)) for providing efficient and better services. Members holding securities in dematerialised form are requested to intimate such changes to their respective depository participants.

7. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form, for ease in portfolio management. Vide Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, SEBI has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz. Issue of duplicate securities certificate; renewal / exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Further SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardised the format of documents for transmission of securities. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, as the case may be. The said form can be downloaded from the website of the Company or the RTA.
8. Members can avail of the facility of nomination in respect of securities held by them in physical form pursuant to the provision of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed form SH-13 duly filled-in to Company's RTA. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form ISR-3 or SH-14 as the case may be. The nomination form can be downloaded from the website of the Company or can be obtained from the RTA. Members holding shares in dematerialised form may contact their respective Depository Participant (DP) for availing this facility.
9. The Securities and Exchange Board of India (SEBI) has mandated furnishing of Income Tax PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities in the prescribed forms. Any service requests or complaints received from the member, will not be processed

by RTA till the aforesaid details / documents are provided to RTA. On or after April 01, 2023, in case any of the above cited documents / details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at [www.fosecointia.com](http://www.fosecointia.com).

10. **Transfer of Unclaimed/Unpaid dividends to the Investors Education and Protection Fund (IEPF):** Pursuant to Section 124 of the Companies Act, 2013 read with the relevant Rules, all unclaimed / unpaid dividend remaining unclaimed / unpaid with the Company on the expiry of 7 (seven) years from the date of its transfer to the unclaimed / unpaid dividend account, will be transferred by the Company to the IEPF Account set up by the Central Government. Members are requested to write to the Company's Registrar and Share Transfer Agents giving bank details, if any dividend warrants are not encashed so that the amount can be transferred to the bank account of the member. Members can visit the Company's website [www.fosecointia.com](http://www.fosecointia.com) to check the details of their unclaimed dividend under the Investors' Section.
11. **Transfer Of Equity Shares To The Investors Education And Protection Fund (IEPF):** In compliance with the requirements laid down in Section 124(6) of the Companies Act, 2013 read with the 'Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016', the Company has transferred all equity shares in respect of which dividends had remained unpaid or unclaimed by the shareholders for seven consecutive years or more, to the account of the IEPF. However, to claim the shares, including all the corporate benefits accruing on such shares, if any, from the IEPF Authority, the Shareholders must first ensure registration of correct bank details including core banking account number and IFSC / MICR of the bank in their demat account with their Depository Participant or against shares held in physical form with the Company's Registrar and Share Transfer Agent (RTA) M/s. Link Intime India Pvt. Ltd. The Shareholders should then-after submit an online application in Form IEPF-5 and send a physical copy of the Form IEPF-5 duly signed by all the joint shareholders, if any, as per the specimen signature recorded with the Company along with requisite documents enumerated in the Form IEPF-5, to the Company's RTA. The Rules and Form IEPF-5, as prescribed, for claiming back the shares, are available on the website of the IEPF [www.iepf.gov.in](http://www.iepf.gov.in). It may please be noted that no claim shall lie against the Company in respect of share(s) transferred to IEPF pursuant to the said Rules. The details of the shareholders whose equity shares had been transferred to the Demat Account of the IEPF is available on the website of the Company at <https://fosecointia.com/TransferShareToIEPF.aspx>.

**12. Inspection of Documents:** The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the AGM. All documents referred to in the AGM Notice and Explanatory Statement will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of the ensuing Annual General Meeting between 1400 hours to 1600 hours (IST) on all working days (except Saturdays, Sundays and Holidays). Members seeking to inspect such documents can send an email to [investor.grievance@vesuvius.com](mailto:investor.grievance@vesuvius.com).

**13. Dissemination of AGM Notice & Annual Report:**

Electronic copy of the Annual Report for the financial year 2022 including the AGM Notice of the Company, *inter-alia*, indicating the process and manner of electronic voting ("e-voting") is being sent to all the Members whose email addresses are registered with the Company/Depository Participant(s), for communication purposes, unless any member has requested for a hard copy of the same. In case any member is desirous of obtaining hard copy of the Annual Report and AGM Notice of the Company, may send request to the email address at [pune@linkintime.co.in](mailto:pune@linkintime.co.in), [ashok.gupta@linkintime.co.in](mailto:ashok.gupta@linkintime.co.in) or [umesh.sharma@linkintime.co.in](mailto:umesh.sharma@linkintime.co.in), mentioning Folio No./ DP ID and Client ID. Members who have not registered their e-mail addresses may get the same registered by sending an e-mail to the Company's Registrar, providing necessary details like Folio No./ DPID, Client ID, name and address, scanned copy of the share certificate (front and back) or Client Master Copy, self-attested scanned copy of PAN card and AADHAAR Card.

**14.** Members may also note that the Annual Report and the AGM Notice are available on the Company's website: [www.fosecoindia.com](http://www.fosecoindia.com). Additionally, these can be accessed on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility and e-voting during the AGM/EGM) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**15. Procedure for Attending the AGM Through Video Conference (VC) or Other Audio Visual Means (OAVM):**

The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 20/2020 dated May 05, 2020 and 10/2022 dated December 28, 2022 and other circulars issued in this respect ("MCA Circulars") has allowed the

Companies, *inter-alia*, to conduct the Annual General Meeting through VC or OAVM facility on or before September 30, 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI Listing Regulations. In compliance with these Circulars, provisions of the Act and the SEBI Listing Regulations, the Company will conduct this AGM by providing two-way teleconferencing facility ('VC facility') to its Members through National Securities Depository Limited (NDSL) e-voting platform the details of which are provided in **Point 16** below.

- (i) Members may note that the VC facility allows at least first 1000 members to attend and participate at the AGM on first-come-first-served basis. However, the participation of members holding 2% or more shares, the Promoters, the Institutional Investors, the Directors, the Key Managerial Personnel, Statutory and Cost Auditors, etc., are not restricted on first-come-first-served basis. Members can login and join the meeting 30 minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 minutes after the schedule time.
- (ii) Members may note that since the meeting is being held through VC facility, attendance slip is not annexed to the AGM Notice.
- (iii) Route map for the venue of the meeting is not available since the meeting is being held through VC facility.
- (iv) The physical attendance of Members has been dispensed with, since the AGM is being conducted through VC/OAVM and therefore the provision for appointment of proxies by the members will not be available. Accordingly, the proxy form is not annexed to the AGM Notice.
- (v) Members attending the AGM through VC facility shall be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
- (vi) The transcript of the meeting will be made available on the Company's website: [www.fosecoindia.com](http://www.fosecoindia.com), as soon as it is available.
- (vii) This AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013, read with the MCA has issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated



January 13, 2021, Circular No. 19/2021 dated December 08, 2021 and Circular No. 21/2021 dated December 14, 2021.

**16. Instruction for Members for Remote Electronic Voting (Remote E-Voting) and E-voting during AGM and joining meeting through VC/OAVM:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended, the Company is providing its Members facility to exercise their right to vote on Resolutions proposed to be considered at this AGM by electronic means which includes "remote e-voting" i.e., from a place other than venue of the AGM, provided by National Securities Depository Limited NSDL.

**The instructions for members voting electronically are as under:**

**The remote e-voting period begins on Friday, May 19, 2023 at 0900 Hours (IST) and ends on Tuesday, May 23, 2023 at 1700 Hours (IST).** During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date being **Wednesday, May 17, 2023** will be eligible to vote by electronic means or at the AGM. The e-voting module shall be disabled by NSDL for voting thereafter.

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**


**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

To enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants, demat account holders would be able to cast their vote without having to register with multiple **e-voting service providers (ESPs)**, for facilitating seamless authentication and also enhancing ease and convenience of participating in e-voting process.

In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p><b>Users already registered for NSDL IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>Visit the e-Services website of NSDL, viz., <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile.</li> <li>Once the home page of e-Services is launched, click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> section.</li> <li>A new screen will open, where the user must enter User ID and Password. After successful authentication, user will be able to see e-Voting services under <b>Value-Added Services</b>.</li> <li>Click on <b>"Access to e-Voting"</b> under e-Voting services on e-Voting page.</li> <li>Click on Company name or e-Voting service provider i.e., NSDL.</li> <li>User will be re-directed to e-Voting service provider website of NSDL for casting vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> <p><b>User not registered for IDeAS e-Services facility:-</b></p> <p>Option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</p> <p>Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <ol style="list-style-type: none"> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>Once the home page of e-Voting system is launched, click on the icon <b>"Login"</b> which is available under <b>'Shareholder/Member'</b> section.</li> <li>A new screen will open. User will have to enter User ID (i.e. sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> </ol>

Type of shareholders	Login Method
	<p>d) After successful authentication, user will be redirected to NSDL Depository site where e-Voting page is found.</p> <p>e) Click on company name or e-Voting service provider name i.e., NSDL.</p> <p>f) User will be redirected to e-Voting service provider website of NSDL for casting vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p><b>e-Voting mobile application of NSDL</b></p> <p>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; gap: 40px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL</b></p>	<p><b>Existing users who have opted for CDSL Easi / Easiest</b></p> <p>a) Login through their User ID and password. Option will be made available to reach e-Voting page without any further authentication.</p> <p>b) The URL for users to login to <b>CDSL Easi / Easiest</b> are <a href="https://web.cdslindia.com/myeasinew/home/login">https://web.cdslindia.com/myeasinew/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System <b>Myeasi</b> Tab. Use existing <b>Easi</b> User name and password.</p> <p>c) After successful login of <b>Easi / Easiest</b> the user will be also able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company.</p> <p>d) On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>e) Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL / NSDL / KARVY / LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p><b>Users not registered for Easi / Easiest</b></p> <p>Option to register is available at <a href="https://web.cdslindia.com/myeasinew/Registration/EasiRegistration">https://web.cdslindia.com/myeasinew/Registration/EasiRegistration</a></p> <p><b>Visit the e-Voting website of CDSL</b></p> <p>a) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page.</p> <p>b) The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</p> <p>c) After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>a) Users can also login using the login credentials of their demat account through their Depository Participant registered with NSDL/CDSL for e-Voting facility.</p> <p>b) After successful login, they will be able to see e-Voting option.</p> <p>c) After clicking on e-Voting option, the user will be redirected to NSDL/CDSL Depository site after successful authentication, wherein they can see e-Voting feature.</p> <p>d) After clicking on company name or e-Voting service provider name, the user will be redirected to e-Voting service provider website for casting their vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use 'Forget User ID and Forget Password' option available at abovementioned website.



**Helpdesk for Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- a) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile device.
- b) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

- c) A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

**d) Your User ID details are given below :**

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

**e) Password details for members other than individual members are given below:**

- I. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- II. If you are using NSDL e-Voting system for the first time, you will need to retrieve the "initial password" which was communicated to you. Once you retrieve your "initial password", you need to enter the "initial password" and the system will force you to change your password.
- III How to retrieve your "initial password"?
  - ▶ If your email address is registered in your demat account or with the Company, your "initial password"

is communicated to you on your email address. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your "initial password".

- ▶ If your email address is not registered, please follow steps mentioned below in process for those members whose email addresses are not registered.

**f) If you are unable to retrieve or have not received the “initial password” or have forgotten your password:**

- i) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- ii) “Physical User Reset Password?” (If you are holding shares in physical form) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- iii) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.
- iv) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- v) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- vi) Now, you will have to click on “Login” button.
- vii) After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system**

**A) How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

- a) After successful login at Step 1, you will be able to see all the companies “EVEN” (E-voting Event Number) in which you are holding shares and whose voting cycle and General Meeting is in active status.
- b) Select “EVEN” of the Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “**VC/OAVM**” link placed under “Join Meeting”.
- c) Now you are ready for e-Voting as the Voting page opens.
- d) Cast your vote by selecting appropriate options i.e., assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- e) Upon confirmation, the message “Vote cast successfully” will be displayed.

- f) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- g) Once you confirm your vote on the resolution(s), you will not be allowed to modify your vote.

**B) General Guidelines for members**

- a) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodians are required to send scanned copy (PDF Format) of the relevant Board Resolution/ Power of Attorney (Authority letter) etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [karunakaran2004@yahoo.com](mailto:karunakaran2004@yahoo.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), [umesh.sharma@linkintime.co.in](mailto:umesh.sharma@linkintime.co.in) and [investor.grievance@vesuvius.com](mailto:investor.grievance@vesuvius.com), from the registered email address, authorising their representative to participate in the remote e-voting and/or to attend and vote at the AGM, before the start of the e-voting / AGM, by clearing mentioning FOSECO INDIA LIMITED in the subject line. It also applies to Members who have voted from individual tab and not uploaded the same in the NSDL e-voting system.
- b) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney (Authority Letter) etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
- c) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details / Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- d) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or send a request to Ms. Pallavi Mhatre, Senior Manager, National Securities Depository Ltd., Trade World, ‘A’ Wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, at the designated

email address: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or or at telephone nos.: 022 - 4886 7000 and 022 - 2499 7000, who will also address the grievances connected with the voting by electronic means. Members may also write to the Company's Registrar.

**C) Process for those shareholders whose email addresses/mobile number are not registered with the company registrar/depositories for obtaining login credentials for e-voting for the resolutions proposed in this Notice:**

- **For Physical shareholders:** Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to **Company's RTA at [pune@linkintime.co.in](mailto:pune@linkintime.co.in) or [umesh.sharma@linkintime.co.in](mailto:umesh.sharma@linkintime.co.in).**
- **For Demat shareholders:** Please update your email ID and mobile number with your respective Depository Participant (DP). Then provide DPID-Client ID (16-digit DPID + Client ID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company's RTA at [pune@linkintime.co.in](mailto:pune@linkintime.co.in) or [umesh.sharma@linkintime.co.in](mailto:umesh.sharma@linkintime.co.in).**
- If you are an individual member holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e., Login method for e-Voting and joining virtual meeting for Individual members holding securities in demat mode.
- Alternatively, members may send a request to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring User ID and password for e-voting by providing above mentioned documents.
- In terms of SEBI Circular dated 9th December 2020 on e-Voting facility provided by listed companies, individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depository Participant(s). Members are required to update their mobile number and email address correctly in their demat account in order to access e-Voting facility.

**Step 3: Instructions for members for participating in the AGM through VC / OAVM are as under:**

- a) The members will be provided with a facility to attend the AGM through VC/ OAVM through the NSDL e-Voting system. Members

may access the same by following the steps mentioned above for "Access to NSDL e-Voting system". The link for VC/ OAVM will be available in "Shareholder/ Member login" where the EVEN ("E-voting Event Number") of the Company will be displayed. After successful login, the members will be able to see the link of ("VC/ OAVM") placed under the tab "Join Meeting" against the name of the Company. On clicking this link, the members will be able to attend the AGM. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID/ Password may retrieve the same by following the remote e-Voting instructions mentioned above in the notice, to avoid last minute rush.

- b) Members may join the Meeting through Laptops, Desktops, Smartphones and Tablets. Further, members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, MS Edge or Firefox. Please note that participants connecting from Smartphones or Tablets or through Laptops connecting via mobile hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to avoid any glitches.
- c) **Member Queries with Respect to Annual Report or Businesses as Stated in the AGM Notice:**
- (i) For smooth conduct of AGM proceedings, Members who wish to receive information with respect to Company's Annual Report for the year 2022 or have questions with regard to the financial statements and the matters to be placed at this AGM, can send their request by providing their name, demat account number / folio number from their registered e-mail ID to [investor.grievance@vesuvius.com](mailto:investor.grievance@vesuvius.com), at least 48 hours in advance before the start of meeting i.e. by **Monday, May 22, 2023, before 1430 Hours (IST)**.

- (ii) Members who wish to ask questions or express their views at the AGM may register themselves as a '**Speaker**' by sending their request by providing their name, demat account number / folio number and mobile number from their registered e-mail ID to [investor.grievance@vesuvius.com](mailto:investor.grievance@vesuvius.com),

at least 48 hours in advance before the start of meeting i.e. by **Monday, May 22, 2023, before 1430 Hours (IST)**. Those Members who have registered themselves as a speaker will only be allowed to speak at the Meeting.

**Members may note that the Company reserves the right to restrict the number of questions and number of speakers during the AGM, depending upon availability of time and for conducting the proceedings of the meeting smoothly.**

- d) When a pre-registered speaker is invited to speak at the meeting, but he/ she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
- e) **Instructions for members for e-Voting during the AGM:**
- (i) Members may follow the same procedure for e-Voting during the AGM as mentioned above for remote e-Voting.
- (ii) The facility of e-voting shall also be made available at the Meeting. Members attending the Meeting who have not already cast their vote by remote e-voting facility shall be able to exercise their right at the Meeting. If any votes are cast by the Member through the e-voting available during the AGM but the Member does not participate in the meeting through VC/OAVM facility, then the votes cast by such Member shall be considered invalid as the facility of e-voting during the meeting is available only to the Member attending the meeting.
- (iii) The Members who have cast their vote by remote e-voting facility prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again at the Meeting. If a Member cast their vote again, then votes cast through remote e-voting facility shall prevail and voting at the Meeting will be treated invalid.
- (iv) The voting rights of the Members shall be in proportion to their share of the paid-up Equity Share Capital of the Company as on the cut-off date of **Wednesday, May 17, 2023**. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled

to avail the facility of remote e-voting or voting at the AGM. Any person who has ceased to be the Member of the Company before the cut-off date will not be entitled for remote e-voting or voting at the Meeting. Any person, who becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at [pune@linkintime.co.in](mailto:pune@linkintime.co.in), [ashok.gupta@linkintime.co.in](mailto:ashok.gupta@linkintime.co.in) or [umesh.sharma@linkintime.co.in](mailto:umesh.sharma@linkintime.co.in). However, if any Member is already registered with NSDL for e-voting then he/she can use his/her existing user ID and password / PIN for casting their vote.

- (v) The Helpline details of the person who may be contacted by the members needing assistance with the use of technology, before or during the AGM shall be the same persons mentioned for remote e-Voting and reproduced hereunder for convenience:

Ms. Pallavi Mhatre, Senior Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, at the designated email address: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or at telephone nos.: 022 - 4886 7000 and 022 - 2499 7000. Members may also write to the Company's email address at [investor.grievance@vesuvious.com](mailto:investor.grievance@vesuvious.com).

17. The Company has appointed Rajesh Karunakaran, Practicing Company Secretary (Membership No. FCS 7441, CP No. 6581), as the Scrutiniser, to scrutinise the e-voting process, in a fair and transparent manner.
18. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of the conclusion of the e-voting period, a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing who shall countersign the same and shall declare the result of the voting forthwith.
19. The Results declared along with the Report of the Scrutiniser shall be placed on the website of the Company [www.fosecoindia.com](http://www.fosecoindia.com) and on the website of NSDL immediately after the declaration of result by the Chairperson or a person authorised by him in writing. The results shall also be communicated to the Stock Exchanges.

## Annexure to the Notice of the Annual General Meeting

### EXPLANATORY STATEMENTS AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013, (hereinafter referred to as "the Act") the following Explanatory Statement setting out the material facts relating to the business mentioned under Item Nos. 4 and after of the accompanying Notice is annexed herewith.

#### Item No. 4

Ravi Moti Kirpalani was originally appointed as a Non-Executive Independent Director on the Board of the Company on October 26, 2018. Later, at the 62<sup>nd</sup> Annual General Meeting of the Company (AGM) held on April 26, 2019, Ravi Moti Kirpalani was appointed as a Non-Executive Independent Director of the Company for a term commencing from October 26, 2018 and ending on October 25, 2023.

The Nomination and Remuneration Committee (NRC) of the Board of Directors at its Meeting held on February 27, 2023, unanimously decided to recommend to the Board of Directors, the appointment of Ravi Moti Kirpalani (DIN: 02613688) for a second consecutive term commencing from October 26, 2023 and ending on October 25, 2028. Subsequently, the Board of Directors of the Company at its Meeting held on the same day, in the absence of Ravi Moti Kirpalani, evaluated his performance and after taking cognisance of the feedback received from the NRC as above, have unanimously decided to continue with the appointment of Ravi Moti Kirpalani as a Non-Executive Independent Director for the second consecutive term as above, subject to the approval of the Members.

In the opinion of the Board, Ravi Moti Kirpalani is a person of integrity and fulfils the conditions specified in the Act and the rules framed thereunder for appointment as a Non-Executive Independent Director and that he is Independent of the Management.

Based on the skills, competence and expertise in General Management, Sales and Marketing, Human Resources and People Practices, Finance and Accounts, Corporate Governance, Risk Management, Regulatory and Compliance Matters and his sharp thinking on business strategies including contribution in the Board and Committee Meetings, the Board has determined that the re-appointment of Ravi Moti Kirpalani would be beneficial to the Company. The Board also took into consideration his qualifications, extensive knowledge and rich experience and concluded that it is desirable to continue to avail his services as a Non-Executive Independent Director on the Board of the Company, not liable to retire by rotation.

The Company has received declarations from Ravi Moti Kirpalani, stating that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and further that he is not disqualified from being appointed as Director in terms of Section 164 of the Companies

Act, 2013. In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. He has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. He has given his consent to act as a Director of the Company. A copy of the draft letter of re-appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays, Sundays and public holidays.

Brief Profile along with other details of Ravi Moti Kirpalani is provided in the Report on Corporate Governance forming part of the Annual Report. According to Regulation 26(4) of SEBI Listing Regulations, Ravi Moti Kirpalani does not hold any Equity Shares in the Company either by himself or on a beneficial basis for any persons in the Company. He is not related to any of the existing Directors of the Company. The details of directorship held by Ravi Moti Kirpalani in other companies and other details are given in the Annexure to this Notice.

In terms of the proviso to Section 160(1) of the Act, the Board recommends the Resolution set out in Item Nos. 4 of the Notice for the approval by the Members of the Company as a **Special Resolution**.

Save and except Ravi Moti Kirpalani, none of the Directors, Manager or any other key managerial personnel or any of their relatives, are concerned or interested, whether financially or otherwise, in this Resolution.

#### Item No. 5

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors at its Meeting held on February 27, 2023, appointed Mark Russell Collis (DIN: 10054384), as a Non-Executive Non-Independent Director to the Board of the Company. He was nominated as a Director on the Board of the Company by Foseco Overseas Limited, the Holding Company. He is an Additional Director on the Board of the Company.

#### Brief Profile of Mark Russell Collis

Mark Russell Collis, aged 51 years is a British citizen. He is a Chartered Accountant and Fellow of The Institute of Chartered Accountants in England and Wales.

Mark Russell Collis is expected to join Vesuvius plc as an Executive Director and Chief Financial Officer no later than July 04, 2023. He has over 20 years of senior financial



experience and operational and leadership skills gained through management roles in a number of international businesses including Amec Foster Wheeler plc, Expro International Group and latterly as Chief Financial Officer of the Operations business of John Wood Group PLC.

Mark Russell Collis does not hold Directorship in any other Public Limited Listed Company in India except Foseco India Limited. He is a Member each of the Audit Committee and the Risk Management Committee of the Board of the Company. He has submitted a declaration that he is not disqualified from being appointed as a Director as provided in Section 152(5) of the Act and that he is eligible for appointment. He has given his consent to act as a Director of the Company.

He does not hold any Equity Shares in the Company either by himself or on a beneficial basis for any persons in the Company. He is not related to any of the existing Directors of the Company.

In the opinion of the Board, Mark Russell Collis fulfils the conditions specified in the Act and the rules framed thereunder for appointment as the Director. The Board also considers that his association would be of immense benefit to the Company and it is desirable to avail his services as a Director on the Board of the Company.

In terms of Section 152 and 161 of the Companies Act, 2013 (the Act) read with the relevant Rules, he holds office as an Additional Director up to the date of the ensuing Annual General Meeting and being eligible, offers himself for appointment as a Director.

**Registered Office:**

Gat Nos. 922 & 923,  
Sanaswadi, Taluka Shirur,  
District Pune 412 208

**Date:** February 27, 2023

Accordingly, the Board recommends the Resolution set out in Item No. 5 of the Notice for the approval by the Members of the Company as an **Ordinary Resolution**.

Save and except, Mark Russell Collis, none of the Directors, Manager or any other key managerial personnel or any of their relatives, are concerned or interested, whether financially or otherwise, in this Resolution.

**Item No. 6**

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor – Joshi Apte & Associates, Cost Accountants for conducting the audit of the cost records of the Company for the financial year ending on December 31, 2023, at a remuneration of ₹ 4,20,000/- (Rupees four lakh twenty thousand only) plus GST at the applicable rates and reimbursement of out of pocket expenses.

Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, requires that the remuneration payable to the Cost Auditor shall be ratified by the Members of the Company. Accordingly, the Board recommends the Resolution set out in Item No.6 for the approval by the Members of the Company as an **Ordinary Resolution**.

None of the Directors, Managers or any key managerial personnel or any of their relatives, are concerned or interested, whether financially or otherwise, in this Resolution.

By Order of the Board of Directors

**Mahendra Kumar Dutia**

*Controller of Accounts & Company Secretary*

### Details of Director(s) seeking appointment / re-appointment at the Annual General Meeting

Particulars	Karena Cancellori	Ravi Moti Kirpalani
Date of Birth	February 13, 1967	November 11, 1958
Date of first appointment on the Board	October 31, 2019	October 26, 2018
Qualifications	<ul style="list-style-type: none"> <li>Master's degree in Chemistry from University of Turin in Italy.</li> <li>MBA from the University of Strathclyde, Glasgow, United Kingdom.</li> </ul>	<ul style="list-style-type: none"> <li>Studied Economics at the St. Stephen's College, New Delhi.</li> <li>Degree in Bachelor of Arts (Honours Course) from the University of Delhi.</li> <li>Post-Graduate Diploma in Management from the Indian Institute of Management, Calcutta.</li> </ul>
Expertise in specific functional areas	<ul style="list-style-type: none"> <li>She was previously VP Engineered Products for Beaulieu International Group, a global specialist in raw chemical materials and semi-finished engineered products for residential and commercial markets.</li> <li>Held management positions in companies such as Shell Chemicals, Kraton Corporation and FiberVisions.</li> </ul>	<p>Worked with global and culturally diverse teams and led major transformational programmes. He has deep passion for customer relationships, building brands, enjoys engaging and energising people and helps in building a culture based on values.</p> <p>Worked for over 16 years with Castrol / BP in India and in UK. Earlier, he was the Managing Director of Castrol India Limited.</p> <p>Brings over 35 years of experience in sales, marketing and strategy development.</p>
Directorship held in all Public Limited Listed Companies	<ul style="list-style-type: none"> <li>Foseco India Limited</li> </ul>	<ul style="list-style-type: none"> <li>Foseco India Limited</li> <li>Greaves Cotton Limited</li> </ul>
Membership of the Committees in all the Public Limited Listed Companies (only Audit Committee and Stakeholders' Relationship Committee are considered) where he/she is a Director	Nil	<p><b>Audit Committee</b></p> <ul style="list-style-type: none"> <li>Foseco India Limited</li> </ul> <p><b>Stakeholders' Relationship Committee</b></p> <ul style="list-style-type: none"> <li>Foseco India Limited</li> <li>Greaves Cotton Limited</li> </ul>
Resignation from directorship held in all Public Limited Listed Companies in the past 3 years	Nil	Nil
Number of Shares held in the Company directly including those held as a beneficial owner	Nil	Nil
Relationship with any of the existing Director(s) of the Company	No	No

<b>Particulars</b>	<b>Mark Russell Collis</b>
Date of Birth	January 03, 1972
Date of first appointment on the Board	February 27, 2023
Qualifications	Fellow Member of The Institute of Chartered Accountants in England and Wales.
Expertise in specific functional areas	<ul style="list-style-type: none"> <li>Has over 20 years of senior financial experience and operational and leadership skills gained through management roles in a number of international businesses including Amec Foster Wheeler plc, Expro International Group and latterly as Chief Financial Officer of the Operations business of John Wood Group PLC.</li> </ul>
Directorship held in all Public Limited Listed Companies	<ul style="list-style-type: none"> <li>Foseco India Limited</li> </ul>
Membership of the Committees in all the Public Limited Listed Companies (only Audit Committee and Stakeholders' Relationship Committee are considered) where he/she is a Director	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>Foseco India Limited</li> </ul>
Resignation from directorship held in all Public Limited Listed Companies in the past 3 years	Nil
Number of Shares held in the Company directly including those held as a beneficial owner	Nil
Relationship with any of the existing Director(s) of the Company	No

# Directors' Report

## Dear Members,

Your Directors have pleasure in presenting the **66<sup>th</sup> Annual Report** on the business and operations of the Company together with the Audited Financial Statements for the year ended **December 31, 2022**.

### Summary of Financial Performance

(All Figures in ₹ lakh)

Particulars	Accounting year ended	Accounting year ended
	December 31, 2022	December 31, 2021
<b>Total Revenue from Operations</b>	<b>40,673.51</b>	<b>33,801.11</b>
Operating Expenses	(33,650.23)	(28,880.66)
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>7,023.28</b>	<b>4,920.45</b>
Finance Cost	--	--
Depreciation and amortisation expense	(890.21)	(588.18)
<b>Profit Before Tax (PBT)</b>	<b>6,133.07</b>	<b>4,332.27</b>
Total Tax Expense	(1,536.25)	(1,065.24)
<b>Profit for the Period (PAT)</b>	<b>4,596.82</b>	<b>3,267.03</b>
Other Comprehensive Income, net of tax	(11.53)	(43.19)
<b>Total Comprehensive Income for the Year</b>	<b>4,585.29</b>	<b>3,223.84</b>
Balance brought forward from previous year	14,599.23	12,014.04
<b>Amount available for appropriation</b>	<b>19,184.52</b>	<b>15,237.88</b>
Appropriations:		
Interim Dividend	--	--
Final Dividend	(1,596.61)	(638.65)
<b>Total Retained Earnings</b>	<b>17,587.91</b>	<b>14,599.23</b>

### Business Operations/Performance of the Company

The year was marked with your Company reporting its highest ever annual turnover of ₹ 40,673.51 lakh and a Profit Before Tax of ₹ 6,133.07 lakh. The Company has recorded an improvement in a majority of its key financial parameters, largely due to sales revenue growth of its premium strategic product lines coupled with prudent credit evaluation of targeted customers. Meeting customers and offering solutions in optimal use of raw material in their manufacturing process and technology was also an important element of the Company's strategy.

### Share Capital

As on December 31, 2022, the paid-up share capital of the Company stood at ₹ 638,64,590/-, consisting of 63,86,459 equity shares of face value of ₹ 10 fully paid-up. Out of the above, the Promoters held 47,88,845 equity shares comprising 74.98% of the equity share capital of the Company. There was neither any change in the share capital of the Company nor was there any change in the shareholding of the Promoter of the Company during the year.

### Dividend

Your Directors are pleased to recommend for approval of the Members, a Final Dividend of ₹ 25/- per share

(i.e., 250%), on a paid-up equity share of ₹ 10/- each for the financial year ended December 31, 2022, plus a one-time special dividend of ₹ 15/- per share (i.e., 150%), giving a total final dividend of ₹ 40/- per share (400%) (against the total dividend of ₹ 25 per share i.e., 250% in the previous year). The one-time special dividend is recommended on the occasion of completion of 65 years of existence of your Company in the current year.

The dividend is subject to approval of members at the ensuing AGM and shall be subject to deduction of income tax at source. The dividend recommended is in accordance with the Company's Dividend Distribution Policy. The policy includes the parameters as set out in Regulation 43A(2) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations"). The policy is available on the Company's website and can be accessed at <https://fosecoindia.com/Policies.aspx>.

The total dividend that will be paid out will aggregate to ₹ 2,554.58 lakh for the financial year ended December 31, 2022, as compared to ₹ 1,596.61 lakh paid for the financial year ended December 31, 2021.

### Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under the SEBI Listing

Regulations, is presented in a separate section, forming part of the Annual Report.

### Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the Securities and Exchange Board of India ("SEBI"). The Company has implemented several best governance practices. The Report on Corporate Governance as stipulated under the SEBI Listing Regulations forms part of the Annual Report. Certificate from the Practising Company Secretary confirming compliance with the conditions of Corporate Governance is attached to the Report on Corporate Governance. The disclosure requirement laid down in Schedule V, Section II under Clause IV of the Companies Act, 2013 ("the Act") are covered in the Report of Corporate Governance under the title '**Remuneration Policy**'.

### Business Responsibility and Sustainability Report

In accordance with the SEBI Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) describing the initiatives taken by the Company from an environmental, social and governance perspective is available on the Company's website and can be accessed at <https://www.fosecoindia.com/DownloadFiles/BRR2021-22.pdf>

### Subsidiaries

Your Company does not have any subsidiary / subsidiaries within the meaning of Section 2 of the Companies Act, 2013. Therefore, a statement under the provisions of Section 129(3) of the Act, containing salient features of the financial statements of the Company's subsidiaries in **Form AOC-1** is not attached as the same is not applicable in the case of your Company.

### Public Deposits

The Company has not accepted any deposits from the public and accordingly no amount was outstanding as on the date of the Balance Sheet.

### Extract of the Annual Return

As required under Section 92(3) read with Section 134(3) (a) of the Companies Act 2013, the Annual Return in Form No. MGT 7 as at the financial year ended December 31, 2021, has been uploaded on the website of the Company at <http://fosecoindia.com/View/AnnualReturn.aspx>.

### Number of Meetings of the Board

A total of four Board Meetings were held during the year 2022 on the following dates: February 10, 2022, May 12, 2022, July 29, 2022, and November 09, 2022. During the year, one meeting was held in physical mode and the

other meetings were held virtually in audio-visual mode. The information on the meetings is given in the Report on Corporate Governance that forms part of this Annual Report. The intervening gap between any two meetings was within the period of 120 days prescribed by the Companies Act, 2013.

### Directors and Key Managerial Personnel

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Companies Act 2013 and Regulation 17 of the SEBI Listing Regulations, with an appropriate combination of Executive Director, Non-Executive Directors and Independent Directors. The complete list of Directors of the Company has been provided as part of the Corporate Governance Report.

**Mr. Ravi Moti Kirpalani (DIN: 02613688)** was appointed as an Independent Director of the Company at the 62<sup>nd</sup> AGM held on April 26, 2019 for a term of 5 consecutive years commencing from October 26, 2018 and ending on October 25 2023. Pursuant to the provisions of Section 149 of the Act read with relevant rules made thereunder, an Independent Director can hold the office for a term of up to 5 consecutive years on the Board of a company, but is eligible for re-appointment on passing of a special resolution by the company, based on the report of evaluation of performance for another term of up to 5 years. No independent director can hold office for more than two consecutive terms.

Further to the aforesaid and based on the recommendation of the Nomination and Remuneration Committee of the Company ("NRC"), the Board at its Meeting held on February 27, 2023 has approved the re-appointment of Mr. Ravi Moti Kirpalani as an Independent Director for a second term of 5 consecutive years from October 26, 2023 to October 25, 2028, subject to the approval of the Members of the Company by means of a Special Resolution at the ensuing Annual General Meeting. He will not be liable to retire by rotation.

In the opinion of the Board, Mr. Kirpalani possesses requisite expertise, integrity, experience and relevant proficiency for appointment as an Independent Director of the Company and the Board considers that, given his professional background, experience and contributions made by him during his tenure, his continued association would be beneficial to the Company.

The Board of Directors at its Meeting held on February 27, 2023, based on the recommendation of the Nomination and Remuneration Committee, has appointed **Mr. Mark Russell Collis (DIN: 10054384)** as an Additional Director of the Company with effect from February 27, 2023, subject to the approval of the Members of the Company at the ensuing Annual General Meeting. Mr. Mark Russell Collis is nominated as a Non-Executive Non-Independent Director on the Board of the Company by the Holding Company, Foseco Overseas Limited.



Mr. Guy Franklin Young, a Non-Executive and Non-Independent Director, resigned from the Directorship of the Company with effect from February 27, 2023, as he has stepped down from his responsibilities within the Vesuvius Group. Accordingly, his nomination was withdrawn by the Holding Company, Foseco Overseas Limited. The Board places on record its appreciation of the valuable contributions made by him during his tenure as a Director of the Company.

The Board of Directors hereby affirms that Mr. Ravi Moti Kirpalani and Mr. Mark Russell Collis are not debarred from holding the Office of Director by virtue of any order passed by SEBI or any other such authority and are therefore not disqualified to be appointed as the Directors.

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, **Ms. Karena Cancilleri (DIN: 07163534)**, a Non-Executive and Non-Independent Director on the Board of the Company, who is a nominee of the Promoter Company – Foseco Overseas Limited, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. She has submitted a declaration of her eligibility for appointment. The Board recommends her re-appointment. A brief resume and other relevant details of her re-appointment is provided in the Corporate Governance Report which forms part of this Annual Report.

#### **Declaration of independence from Independent Directors**

In terms of Section 149 of the Act and Regulation 16(1) (b) of the SEBI Listing Regulations, the Company has received declarations from all the Independent Directors of the Company confirming that:

- a) they meet the criteria of independence prescribed under the Companies Act, 2013 and the SEBI Listing Regulations;
- b) in terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, they have registered themselves with the Independent Directors' database maintained by the Indian Institute of Corporate Affairs;
- c) in terms of Regulation 25(8) of the SEBI Listing Regulations, they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In terms of Regulation 25(9) of the SEBI Listing Regulations, based on the declarations and confirmations received from the Independent Directors, the Board of Directors has ensured the veracity of the disclosures made under Regulation 25(8) of the SEBI Listing Regulations by the Independent Directors of the Company.

The Board of Directors hereby affirms that none of the Directors on the Board of the Company are debarred from holding the Office of Director by virtue of any order passed by SEBI or any other statutory authority and are therefore not disqualified to be appointed as the Directors. Further, pursuant to Regulation 34(3) and Schedule V, Para C, Clause 10(i) of the SEBI Listing Regulations, the practicing Company Secretary has issued a certificate to the Company to this effect which is annexed with this Report marked **Annexure A**. All the above appointments / re-appointments form part of the Notice of the Annual General Meeting and the Resolutions are recommended for your approval. Profile of these Directors are given in the Report on Corporate Governance.

During the year under review, no Non-Executive Director has had any pecuniary relationship or transactions with the Company.

During the year under review, no changes have taken place in the position of the Key Managerial Personnel (KMP) of the Company.

#### **Directors' Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act 2013, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed with no material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the same period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down Internal Financial Controls in the Company that are adequate and are operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that these are adequate and are operating effectively;

#### **Policy on Directors' Appointment and Remuneration**

The policy of the Company on Directors' Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of a

Director and other matters provided in Section 178(3) of the Companies Act 2013, adopted by the Board is covered in the Report on Corporate Governance which forms part of this Annual Report.

### **Performance Evaluation of the Directors**

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation by the Board of its own performance and that of the various Committees of the Board and the individual Directors including the Chairperson. The framework of performance evaluation of the Directors captures the following points:

- Key attributes of the Independent Directors that justify his / her extension / continuation on the Board of the Company;
- Participation of the Directors in the Board proceedings and his / her effectiveness;

More details on this subject is provided in the Report on Corporate Governance.

### **Composition of the Audit Committee**

The Audit Committee comprises Mr. Amitabha Mukhopadhyay as its Chairperson, Mr. Ravi Moti Kirpalani and Ms. Anita Belani, all of whom are Independent Directors and Mr. Guy Young as a Non-Executive, Non-Independent Member. More details on the Committee are given in the Report on Corporate Governance.

### **Adequacy of Internal Financial Controls (IFC)**

The Company has an Internal Financial Control System, commensurate with the size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations. The internal controls are designed in a manner that facilitates achievement of three-pronged objectives viz., i) support the achievement of the Company's business objectives, ii) mitigate risks to acceptable level, and iii) support sound decision making and good governance.

The adequacy and effectiveness of the internal financial controls are demonstrated by following the procedures as set out below: -

- i. The internal controls have been designed to provide reasonable assurance with regard to recording and producing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance with corporate policies. The Company has a well-defined delegation of power with authority limits for approving revenue as-well-as expenditure. Processes for formulating and reviewing annual and long-term business plans have been laid down.

- ii. The Audit Committee periodically deliberates on the operations of the Company with the Members of the Management. It also sought the views of Price Waterhouse Chartered Accountants LLP, who are the Statutory Auditors, on the internal financial control systems. The extensive audit on the internal financial control systems was done by P G Bhagwat, Chartered Accountants.

- iii. The Company has appointed P. G. Bhagwat, Chartered Accountants, as Internal Auditors of the Company. The Audit Committee in consultation with the Internal Auditors formulates the audit plan, scope, functioning and methodology, which are reviewed every year, in a manner that they cover all areas of operation. The Internal Audit covers inter alia, monitoring and evaluating the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations and adequacy of insurance coverage of all assets. Periodical Internal Audit Reports are submitted to the Audit Committee, to ensure complete independence, which are then extensively deliberated at every Audit Committee Meeting in the presence of the Internal and External Auditors. Based on the review by the Audit Committee, process owners undertake corrective actions in their respective areas and consider suggestions for improvement. The Internal Auditors have expressed that the internal control system in the Company is robust and effective.

- iv. The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively.

- v. The Company's financial records are maintained on the ERP System which is effective and adequate in line with the size of its operations.

### **Not to pursue delisting of the Company's Shares from the Bombay Stock Exchange**

Since 2019, the Company was pursuing delisting of the Company's Equity Shares from the BSE Limited. During the year, the Board of Directors after reviewing all the conditions and requirements of delisting, reconsidered their earlier decision and decided that the Company shall continue to remain listed on the BSE Limited. Apart from the BSE Limited, the Company's Equity Shares continues to remain listed on the National Stock Exchange of India Limited, which provides nation-wide trading terminals.

### **Particulars of Loans, Investments, Guarantees and Securities**

Your Company has neither advanced any loans, nor made any investments or given any guarantees and / or provided any securities to anybody, whether directly or indirectly, within the meaning of Section 185 & 186

of the Companies Act 2013. In addition thereto, the Company has not extended any loans and advances in the nature of loans to firms/companies in which directors are interested.

### **Fund raising by issuance of debt securities, if any**

Pursuant to SEBI Circular No. SEBI/HO/DDRS/CIR/P/2018/144 dated November 26, 2018, the Directors confirm that your Company is not identified as a "Large Corporate" during the year ended December 31, 2022 as per the framework provided in the said Circular. Moreover, your Company has not raised any fund by issuance of debt securities.

### **Particulars of Contracts or Arrangements with Related Parties**

Under the Companies Act 2013, all contracts / arrangements / transactions entered into by the Company during the financial year ended December 31, 2022 with related parties were on an arm's length basis and were in the ordinary course of business. Moreover, none of the transaction were material in nature, and therefore, Members' approval was not required to be obtained, in accordance with the Policy of the Company on materiality of related party transactions. Thus, provisions of Sections 134(3)(h) and 188(1) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 are not applicable to the Company and therefore, **Form No. AOC-2** has not been attached.

In compliance with the requirements laid down in the SEBI Listing Regulations, all related party transactions were placed before the Independent Directors who were Members of the Audit Committee for approval. Prior omnibus approval of the Independent Directors who were Members of the Audit Committee had been obtained for transactions which were foreseeable and of repetitive nature. All transactions entered into with the related parties are presented to the Audit Committee by way of a statement giving details of all transactions.

The Policy on materiality of Related Party Transactions and dealing with Related Parties as approved by the Board has been uploaded on the Company's website at <https://fosecoindia.com/Policies.aspx>. Your Directors draw attention of the Members to Note 29 attached to the financial statement which sets out related party disclosures.

### **Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo**

Information under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure B** to this Report.

### **Particulars of Employees and Related Disclosures**

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and also the Statement containing particulars of employees as required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 is provided in **Annexure C** forming part of this Report.

### **Auditors and Auditors' Report**

#### **Statutory Auditors**

The Company at its 65<sup>th</sup> AGM held on May 11, 2022 re-appointed Price Waterhouse Chartered Accountants LLP (Firm registration no. - 012754N / N500016), Chartered Accountants, as the Statutory Auditors of the Company to hold office for the second term of five years from the conclusion of 65<sup>th</sup> AGM until the conclusion of the 70<sup>th</sup> AGM to be held in the year 2027.

The Company has received a written confirmation from Price Waterhouse Chartered Accountants LLP, to the effect that their continuation as the Statutory Auditors of the Company, meets the requirements laid down under Section 139 and 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified.

#### **Auditors' Report**

The observations of the Statutory Auditors on the annual financial statement for the year ended December 31, 2022 including the relevant notes to the financial statement are self-explanatory and therefore do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer. The Auditors' Report has been issued with unmodified opinion on the annual financial results of the Company.

#### **Report on Frauds, if any**

During the year under review, no incidence of any fraud has occurred against the Company by its officers or employees. Neither the Audit Committee nor the Board of the Company has received any report involving any fraud from the Statutory Auditors of the Company. As such, there is nothing to report by the Board, as required under Section 134 (3) (ca) of the Companies Act, 2013.

#### **Cost Auditors**

Joshi Apte & Associates, Cost Accountants, were appointed as the Cost Auditors of the Company to examine the Cost Records and submit the Cost Audit Report. The Company has maintained the required cost

accounting records as per the Companies (Cost Records and Audit) Rules, 2014 and is in compliance therewith. The Cost Audit Report in Form CRA-4 relating to the year ended December 31, 2021 has already been filed with the Ministry of Corporate Affairs.

### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, Rajesh Karunakaran & Co., Practicing Company Secretary (FCS 7441; CP No. 6581), Pune, was appointed to conduct a secretarial audit of the Company's Secretarial and related records for the year ended December 31, 2022. The Practicing Company Secretary has submitted the Secretarial Audit Report which is annexed as **Annexure D** to this Report. The same does not contain any qualification, reservation, adverse remark or disclaimer.

In addition to the above, a Report on Secretarial Compliance has been submitted by Rajesh Karunakaran & Co. There are no observations, reservations, qualifications, adverse remark or disclaimer in the said Report. The Secretarial Compliance Report is annexed as **Annexure E** to this Report.

### Secretarial Standards of the Institute of Company Secretaries of India (ICSI)

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

### Vigil Mechanism / Whistle Blower Policy

The Company has established a vigil mechanism (which incorporates a whistle blower policy) for Directors, employees and business associates, to report their genuine concerns. The details of the same are provided in the Report on Corporate Governance forming part of this Annual Report. The Policy is also available on the Company's website at <https://fosecoindia.com/Policies.aspx>.

### Policies of the Company

Your Company has posted the following documents on its website at <https://fosecoindia.com/Policies.aspx>.

- Code of Conduct;
- Familiarisation Programme for the benefit of the Independent Directors;
- Archival Policy;
- Policy for Determination of Material Events or Information;
- Policy of Preservation of Documents;
- Dividend Distribution Policy.

### Risk Management

The Board regularly monitors and reviews the risk management strategy of the Company and ensures the effectiveness of its implementation. Your Directors take all necessary steps towards mitigation of any elements of risk, which in their opinion, can impact the Company's survival.

All the identified risks are managed through review of business parameters by the Management, and the Board of Directors are informed of the risks and concerns.

The Company has a structured Risk Management Framework, designed to identify, assess and mitigate risks appropriately. The Risk Management Committee was formed during the year. Two meetings of the Committee were held during the year. The Committee has been entrusted with the responsibility to assist the Board in:

- overseeing and approving the Company's enterprise wide risk management framework; and
- ensuring that all material Strategic and Commercial including Cybersecurity, Safety and Operations, Compliance, Control and Financial risks have been identified and assessed and adequate risk mitigations are in place, to address these risks.

Further details on the Risk Management activities including the implementation of risk management policy, key risks identified, and their mitigations are covered in Corporate Governance Report, which forms part of the Annual Report.

### Corporate Social Responsibility (CSR)

The Board of your Company has constituted a CSR Committee. As on December 31, 2022, the Committee comprises four Directors. A brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure F** of this Report in the prescribed format of the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is available on the website of the Company at <https://fosecoindia.com/Policies.aspx>.

### Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Company has in place a Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, one complaint of sexual harassment was received by it from the ICC which was thoroughly investigated by the ICC and closed after discussion with and agreement of the complainant. There were no complaints remaining pending as at the end of the year.

### General

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- There has been no change in the nature of business of the Company.

For and on behalf of the Board of Directors

**Ravi Moti Kirpalani**

**Chairperson**

**DIN: 02613688**

Place: Gurgaon

Date: February 27, 2023

- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of onetime settlement with any Bank or Financial Institution.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme
- No significant or material orders were passed by the Regulators or Courts or Tribunals which would impact the going concern status and Company's operations in future.

### Acknowledgements

Employee relations throughout the Company were harmonious. Your Board of Directors would like to place on record their sincere appreciation for the wholehearted support and contributions made by all the employees of the Company as well as customers, suppliers, bankers, stakeholders and other authorities. The Directors also thank the Central and State Governments/Government Departments/Agencies and the parent Company for their co-operation and valuable support.



# ANNEXURE A

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To:  
The Members,  
Foseco India Limited  
Gat No. 922 and 923, Sanaswadi,  
Tal: Shirur, District Pune – 412208  
Maharashtra, India

V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Foseco India Limited (Company) having CIN L24294PN1958PLC011052 and having its registered office at Gat No. 922 and 923, Sanaswadi, Tal: Shirur, District Pune – 412208 Maharashtra, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on December 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment
1.	RAVI MOTI KIRPALANI	02613688	October 26, 2018
2.	PRASAD MADHUKAR CHAVARE	08846863	May 06, 2021
3.	AMITABHA MUKHOPADHYAY	01806781	July 27, 2021
4.	ANITA BELANI	01532511	June 21, 2019
5.	GUY FRANKLIN YOUNG	08334721	January 25, 2019
6.	KARENA CANCELLERI	08598568	October 31, 2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For RAJESH Karunakaran & Co.,

Company Secretaries

**RAJESH KARUNAKARAN**

**COMPANY SECRETARY**

**FCS No. 7441/CP No. 6581**

**UDIN- F007441D003167653**

Peer Review Certificate no. **1260/2021** dated **June 28, 2021**

Pune, February 17, 2023

# ANNEXURE B

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014**

## A) Conservation of energy

### 1. Steps taken or impact on conservation of energy:

The Company has constantly been emphasising on optimisation of energy consumption in every possible area of its manufacturing facilities. Various avenues are being explored at periodic interval and after careful analysis and planning, measures are being initiated to minimise the consumption of energy.

During the year, following measures were adopted for conservation and optimum utilization of energy:

- Introduced the energy efficient vacuum pumps controlled by microprocessor and Variable Frequency Drive (VFD).
- Upgradation of conventional motors in utilities with energy efficient motors.
- Enhancement of energy efficiency in reactor by coil replacement.
- Upgradation of lighting system to energy efficient Light Emitting Diode (LED).
- Introduced energy efficient modulating burners in ovens.
- Thermal insulation coating in ovens for conservation.

### 2. Steps taken by the Company for utilising alternate source of energy:

- Installed inhouse solar power generation unit of 565 kW capacity.

### 3. Capital investment on energy conservation equipment:

- VFD based Vacuum pumps.
- Modulating burners for ovens.
- Thermal Insulation coatings in ovens.

## B) Technology Absorption

The following efforts are being made in technology absorption:

### Research & Development (R&D)

#### 1. Specific areas in which R&D is carried out by the Company

The Company carried out R&D in the following areas: -

#### (a) Coatings:

- New development of Coatings for Steel Foundries – which are not based on Zircon as a filler. This development work is specifically initiated to mitigate the risk of escalated cost of Zircon filler and unavailability concerns based on supply disruptions.
- Improving Coating Formulation absorbed from Foseco International Technical team for improving Millipore values for Automotive castings.
- Continuous work with respect to New Formulation for advanced casting finish requirement to reduce coolant contamination in commercial vehicles is being absorbed- it is continual improvement project.
- INSTA technology for coatings: Continual work continued in this area, to reduce cost and improve health, safety and environmental benefits.
- New coating for Lost Foam process: new technology for upgrading our existing product portfolio with respect to enhanced performance requirements is being absorbed.

#### (b) Metal Filtration: (Import substitution)

- Manufacturing process setup is established in India for manufacturing of Sedex filters and continual work being done for maintaining quality and productivity and to develop cost effective recipes,
- Indigenous test being developed for checking Thermal shock resistance of Filters.

#### (c) XP Sleeves:

- Technology being absorbed to produce precise dimension sleeves required for high precision insert application.

#### 2. Benefits derived because of the above R&D

Customers continued to benefit from the Company's range of products designed to improve quality, productivity, efficiency, and the environment, which translated into the following improvements:

**Sustainability:** Due to our initiative of INSTA coatings, in Year 2022 we could eliminate hundreds of thousands of plastic buckets thereby improving sustainability aspects of our operations as well as addressing environmental concerns at our customer end.

**Productivity Improvement:** Productivity improvement is done due to New Methoding solutions with respect to Feeding system product.

**Cost Reduction:** Zircon alternate coatings helped steel foundries to reduce their coating costs.

**Cost effective recipe development and Product Indigenization:** Continual work for developing cost-effective recipes which help us to provide affordable solutions and to generate incremental sales. Also, with respect to indigenization, most of our Feeding System and Coating raw materials are indigenized, resulting in a significant cost advantage without compromising on quality.

**3. In case of imported technology (imported during the last three years) the following information may be furnished:**

**(a) Details of the technology imported:**

Ferrous Coating – Manufacturing technology & formulation for special coatings to improve internal passages for safety critical components.

Filter – Manufacture and process control of Sedex Filters.

**(b) Year of Import:**

Ferrous Coatings – 2022

Filters – 2022

**(c) Whether the technology has been fully absorbed:**

Ferrous Coating – Technology for Automotive coating is work in progress.

Filters – It is work in progress

**(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof:**

- Validation trials at customer end are in progress for New Formulation for advanced casting finish requirement for safety critical components.
- For Filters – work in progress for expanding portfolio to certain SKUs.

**4. Expenditure incurred on Research and Development:**

- Capital: ₹ 40.84 lakh (previous year NIL)
- Revenue: ₹ 84.50 lakh (previous year ₹ 75.48 lakh)
- Total: ₹ 125.34 lakh** (previous year ₹ 75.48 lakh)

**C) Foreign exchange earnings and outgo during the year**

	Current Year (in ₹ lakh)	Previous Year (in ₹ lakh)
a) Total Foreign exchange earned in terms of actual inflows	2,534.12	2,147.89
b) Total Foreign exchange outgo in terms of actual outflows	4,455.63	4,580.45

For and on behalf of the Board of Directors

**Ravi Moti Kirpalani**

Chairperson

DIN: 02613688

Place: Gurgaon

Date: February 27, 2023

# ANNEXURE C

## Particulars of Employees and Related Disclosures

### Information pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a) The ratio of the remuneration of each Director and Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company for the financial year ended December 31, 2022:

Name of the Director / KMP	Designation	Ratio of the remuneration of each Director to the median remuneration*	% Increase in remuneration in the financial year
Ravi Moti Kirpalani	Non-Executive Director	1.52	(10.98%)
Amitabha Mukhopadhyay	Non-Executive Director	1.03	0.00%
Anita Belani	Non-Executive Director	1.45	(11.46%)
Guy Franklin Young	Non-Executive Director	-	0.00%
Karena Cancilleri	Non-Executive Director	-	0.00%
Prasad Chavare	Managing Director & CEO	24.87	0.00%
Mohit Mangal	Chief Financial Officer	16.19	0.00%
Mahendra Kumar Dutia	Company Secretary	4.09	10.44%

**Note: Non-Executive Directors other than the Independent Directors do not receive any remuneration, sitting fees or commission from the Company.**

- b) The median remuneration of the employees of the Company during the financial year ended December 31, 2022 was ₹ 9.60 lakh (previous year ₹ 8.89 lakh).
- c) The percentage increase in the median remuneration of employees in the financial year was 8.09% (previous year (-)0.73%)
- d) The number of permanent employees on the rolls of the Company: 225 as on December 31, 2022 (previous year 205).
- e) Affirmation that the remuneration is as per the remuneration policy of the Company:

**The Company affirms that the remuneration is as per the remuneration policy of the Company.**

For and on behalf of the Board of Directors

**Ravi Moti Kirpalani**

Chairperson

DIN: 02613688

Place: Gurgaon

Date: February 27, 2023

**Statement of Particulars of Employees pursuant to the provisions of Rule 5(2) & 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended December 31, 2022**

Sr. No.	Name	Designation	Gross Remuneration (₹ lakh)	Qualifications	Experience (Years)	Date Of Commencement Of Employment	Age	Last Employment held Name of the Company	% age of Equity Share Held
1	Prasad Chavare	Managing Director & CEO	238.82	Bachelor's degree in Engineering from the Institute for Technology MBAs from Pune University and the Open University UK.	21	June 01, 2021	48	Cummins Technologies India	
2	Vineet Lal Thakar	Sales, Marketing & Technology - Director	181.39	B.Tech (IIT, Bombay), MBA (University of Virginia, USA)	25	December 03, 2018	51	Shell India Markets Pvt. Ltd.	
3	Daljit Singh Banga	Operations Director - Foundry India & Asean	114.54	B.E in Mechanical Engineering Executive General Management Program, IIM Bangalore	28	January 11, 2019	49	GE Oil & Gas India Limited	
4	Ujjal Bhattacharjee	HR Director - India & Asean	114.78	Doctor of Philosophy (Ph.D.) in Management, MPM, B. Sc (Chemistry Honors), Dip. Labour Law & Welfare Dip. Training & Development	23	September 16, 2019	48	GKN Sinter Metals India	
5	Mohit Mangal	Chief Financial Officer	155.51	Bachelor's degree in Commerce, CA from the Institute of Chartered Accountants of India.	19	February 16, 2021	45	Thyssenkrupp Elevators India & Bangladesh	
6	Archis R Patankar	Head Marketing & Technology Ferrrous	65.47	B.E in Metallurgy, PGDBA	21	May 03, 2004	45	Orind International	
7	K Kingsley Arulraj	Manager - Strategic Initiatives	58.35	B.E in Mechanical Engineering Executive General Management Program, IIM Bangalore	32	February 01, 1999	54	ISMT Ltd	
8	Shrikant A Bhat	Head Non Ferrrous Foundry	54.43	B.E in Metallurgy	32	January 05, 2009	56	ChemTrend Chemicals P Ltd	
9	Ajeet M Patwardhan	Head Commercial	51.32	B.E. Mechanical & Production	28	July 12, 2012	53	Birla Group	
10	Patel Sandip Bhai	Head Indirect Channel	48.38	MBA Marketing B.E. Mechanical	21	April 01, 2020	42	Quaker Chemical India Private Limited	

**Note :**

- All appointments are / were contractual, as per the rules of the Company.
- "Gross Remuneration" includes salary, bonus, allowances, leave travel allowance, employer's contribution to provident fund and superannuation fund, personal accident insurance premium and mediclaim premium, wherever applicable.
- As the future liability for the gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the individual employee is not ascertainable and therefore, not included above.
- None of the employees listed above is a relative of any Director of the Company.
- None of the employees listed above were in receipt of remuneration in that year, which in the aggregate, was in excess of the remuneration drawn by the Managing Director annually and holds, either by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company within the meaning of Rule 5(2)(iii) of the aforesaid Rules.

**Ravi Moti Kirpalani**

**Chairperson**

**DIN: 02613688**

**Date : February 27, 2023**

**Place : Gurgaon**



# ANNEXURE D

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2022

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
Foseco India Limited  
Gat No. 922 and 923, Sanaswadi,  
Tal: Shirur, District Pune – 412208  
Maharashtra, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Foseco India Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on December 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on December 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable for the Audit Period:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (d) Other laws applicable specifically to the Company namely:
  - (i) Manufacture Storage and Import of Hazardous Chemical Rules 1989 as amended;
  - (ii) Environment Protection Act, 1986;
  - (iii) Public Liability Insurance Act, 1991 as amended;
  - (iv) Explosives Act 1889
  - (v) Legal Metrology Act, 2009 and the Packaged Commodities Rules 2011
  - (vi) Food Safety Standards Act, 2006 and Rules 2011 with allied Rules and Regulations

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors in respect of schedule of the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views if any are captured and recorded as part of the minutes. During the year under Audit no specific instances of dissent have been recorded in the Minutes.

I further report that based on review of compliance mechanism established by the Company and on the basis of compliance certificates issued by respective officials and taken on record by the Board of Directors at their meetings that there are adequate systems and processes

in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I report further that there are no specific events /major decisions or activities undertaken in pursuance of the above laws, rules and regulations, guidelines, etc., during the financial year ended December 31, 2022, having a major bearing on the Company affairs.

**For RAJESH KARUNAKARAN & CO.,  
COMPANY SECRETARIES  
RAJESH KARUNAKARAN  
COMPANY SECRETARY  
FCS No. 7441/CP No. 6581  
UDIN- F007441D003167501**

Peer Review Certificate no. 1260/2021 dated **June 28, 2021**  
Pune, February 17, 2023

**Note : This report is to be read with my letter of even date, which is appended below and forms an integral part thereof.**

To,  
The Members,  
Foseco India Limited  
Gat No. 922 and 923, Sanaswadi, Tal: Shirur,  
District Pune – 412208  
Maharashtra, India

My Secretarial Audit Report of even date is to be read along with this letter.

#### **Management Responsibility**

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on audits.

#### **Auditors Responsibility**

1. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the fairness of the contents of the Secretarial records. The verification was done on test basis to ensure that facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
2. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
3. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis to the extent applicable to the Company.

#### **Disclaimer**

5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For RAJESH KARUNAKARAN & CO.,  
COMPANY SECRETARIES  
RAJESH KARUNAKARAN  
COMPANY SECRETARY  
FCS No. 7441/CP No. 6581  
UDIN- F007441D003167501**

Peer Review Certificate no. 1260/2021 dated **June 28, 2021**  
Pune, February 17, 2023

## ANNEXURE E

### Secretarial compliance report of Foseco India Limited for the year ended December 31, 2022– Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I Rajesh Karunakaran, Proprietor of Rajesh Karunakaran & Co., Company Secretaries, Pune has examined:

- (a) all the documents and records made available to me and explanation provided by Foseco India Limited (“the listed entity”),
- (b) the filings/submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended December 31, 2022 (“Review Period”) in respect of compliance with the provisions of :
  - (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;
- (d) SEBI (Depositories and Participants) Regulations, 1996;
- (e) SEBI (Depositories and Participants) Regulations, 2018 and based on the above examination, I hereby report that, during the Review Period i.e from January 01, 2022 to December 31, 2022:
  - (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder,
  - (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from my examination of those records.

**For RAJESH KARUNAKARAN & CO.,**  
**COMPANY SECRETARIES**  
**RAJESH KARUNAKARAN**  
**COMPANY SECRETARY**  
**FCS No. 7441/CP No. 6581**  
**UDIN: F007441D003167576**

Peer Review Certificate no. **1260/2021** dated **June 28, 2021**  
**Pune, February 17, 2023**

# ANNEXURE F

## Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year ended December 31, 2022

### 1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

#### The CSR Policy aims at:

- Adopting appropriate strategies and projects for the welfare of the people and society at large, who are the ultimate beneficiaries.
- Making the project sustainable i.e., taking all decisions keeping the society and the environment in mind.
- Practicing its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders, including shareholders, customers, employees, suppliers, business partners, local communities and other organisations. The Company is responsible to continuously enhance shareholders' wealth; it is also committed to its other stakeholders

to conduct its business in an accountable manner that is aimed at sustainable development and inclusive growth.

- Committed towards aligning with nature by adopting eco-friendly practices; pursue initiatives related to quality management, environment preservation by encouraging conservative / judicious use of natural resources and social awareness.
- Undertake proactive engagement with stakeholders to actively contribute to the socioeconomic development of the periphery/community in which it operates.
- Using environment friendly and safe processes in production.
- Create a positive footprint within the society by creating inclusive and enabling infrastructure/ environment for liveable communities.

The CSR Policy has been placed on the Company's website at: <https://fosecoindia.com/Policies.aspx>

### 2. Composition of the CSR Committee as on December 31, 2022:

Name	Designation
Anita Belani	Chairperson
Ravi Moti Kirpalani	Member
Amitabha Mukhopadhyay	Member
Prasad Chavare	Member
3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:	Composition of CSR committee <a href="https://fosecoindia.com/Committee.aspx">https://fosecoindia.com/Committee.aspx</a> CSR Policy <a href="https://fosecoindia.com/Policies.aspx">https://fosecoindia.com/Policies.aspx</a> CSR projects approved by the board <a href="https://fosecoindia.com/csr.aspx">https://fosecoindia.com/csr.aspx</a>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):	<b>Not Applicable</b>
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:	<b>Nil</b>
6. Average net profit of the Company for last three financial years	<b>₹ 3,837.02 lakh</b>
7. i. two per cent of the amount as in item 6 above:	<b>₹ 76.74 lakh</b>
ii. Surplus arising out of the CSR projects or programmes or activities of the previous financial years:	<b>NIL</b>
iii. Amount required to be set off for the financial year, if any:	<b>NIL</b>
iv. Total CSR obligation for the financial year (7i+7ii-7iii):	<b>₹ 76.74 lakh</b>

8. (a) CSR amount spent or unspent for the financial year: (₹ In lakh)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to the Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
76.76	Not Applicable		Not Applicable		

8. (b) Details of CSR amount spent against ongoing projects for the financial year: (₹ In lakh)

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	A. Local Area (Yes/No) B. Location of the Project State/District	A. Project Duration B. Amount allocated for the Project C. Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency a) Name b) CSR Registration number
1.	Happy School Project – Infrastructure Development	(ii)	A. Yes B. Maharashtra / Pune	A. 9 months (Project completed) B. 33 lakh C. 16 lakh	NA	No	Rotary Club of Pune East Charitable Trust (CSR00008238)

8. (c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No)	Location of the Project State/District	Amount spent on the Project (₹ in lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency a) Name b) CSR Registration number
1.	Juvenile Diabetes Programme	(i)	Yes	Maharashtra/ Pune	15.00	No	Hirabai Cowasji Jehangir Medical Research Institute (CSR00009392)
2.	Distributed biomass cookstoves to needy, poor and deserving families in remote, tribal and village areas under the banner "Happy Family Kits".	(iv)	No	Various villages in Maharashtra	20.00	No	Rotary Club of Pune East Charitable Trust (CSR00008238)
3.	Technology Integration in classrooms and training to teachers in use of technology	(ii)	No	Various schools in Maharashtra	8.00	No	Rotary Club of Khadki Millenium Trust (CSR00005647)



Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No)	Location of the Project State/ District	Amount spent on the Project (₹ in lakh)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency a) Name b) CSR Registration number
4.	Rehabilitation of the Children and Adults with cerebral palsy and multiple disabilities	(ii)	Yes	Maharashtra/ Pune	5.00	Yes	Snehalaya Education Society
5.	Financial support to deserving girl students for pursuing higher studies at an Engineering College	(ii)	Yes	Maharashtra/ Pune	2.76	Yes	Direct
6.	Kishori Shakti Support Program - Imparting education, counselling and raising health awareness among adolescent girls forced into early marriage and motherhood by their parents' due to poverty and illiteracy	(ii)	Yes	Maharashtra/ Pune	10.00	Yes	Rotary Club of Poona Downtown Charitable Trust
<b>Total</b>					<b>76.76</b>		

8.	(d) Amount spent in Administrative Overheads:	<b>NIL</b>
	(e) Amount Spent on Impact Assessment, if applicable:	<b>NIL</b>
	(f) Total amount spent for the Financial Year (8b+8c+8d+8e):	<b>₹ 76.76 lakh</b>
	(g) Excess Amount set off, if any:	<b>-</b>

S r . Particulars	Amount (in ₹ lakh)
i. Two percent of average net profit of the company as per section 135(5)	76.74
ii. Total amount spent for the Financial Year	76.76
iii. Excess amount spent for the financial year [(ii)-(i)]	0.02
iv. Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.01
v. Amount available for set off in succeeding financial years [(iii)-(iv)]	0.03

9. (a) Details of Unspent CSR amount for the preceding three financial year

Sl. No.	Preceding Financial year	Amount transferred to Unspent CSR Account under Section 135(6)	Amount spent in the reporting Financial Year	Amount Transferred to any fund Specified in Schedule VII to the Act			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of Transfer	
<b>Not Applicable</b>							

9. (b) Details of CSR amount spent in the financial year for on-going projects for preceding financial years: **NIL**

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No)	Location of the Project State/ District	Amount spent on the Project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency a) Name b) CSR Registration number
<b>NIL</b>							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

- a. Date of Creation or Acquisition of Capital Asset(s): **NIL**
- b. Amount of CSR Spent for creation or Acquisition of Capital Asset: **NIL**
- c. Details of Entity or Public Authority or beneficiary under whose name such capital asset is registered, their address etc: **NA**
- d. Provide details of capital asset(s) created or acquired (including complete address and location of the Capital Asset): **NA**

11. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide reasons for not spending the amount in its Board's Report: **NIL**

For and on behalf of the Board of Directors  
of **Foseco India Limited**

**Anita Belani**  
Chairperson (CSR Committee)  
February 27, 2023  
Mumbai

**Prasad Chavare**  
MD & CEO  
February 27, 2023  
Pune

# Report on Corporate Governance

## Foseco's Philosophy

Foseco strives to adopt the highest standards of excellence in Corporate Governance. The Company has consistently practiced good Corporate Governance norms for the efficient conduct of its business and meeting its obligations towards all its stakeholders viz., the shareholders, customers, employees and the community in which the Company operates.

The Company has established procedures and systems to be fully compliant with the requirements stipulated by the Securities and Exchange Board of India under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ["SEBI Listing Regulations"]. The principles governing the disclosures and obligations have been implemented in a manner so as to achieve the objectives of Corporate Governance.

The Company's Corporate Governance philosophy is reflected in the following key areas of the Company's approach to business and its stakeholders:

### 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. All Board Members have a significant breadth of international business experience. The Board Members are fully aware of their roles and responsibilities in the discharge of the key functions. The Board Members strive to meet the expectations of operational transparency to stakeholders, whilst simultaneously maintaining confidentiality of information to the extent required.

### Foseco'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.

### 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 and value selling approach delivering improved foundry processes and casting quality.
- Based upon world-class proprietary technology, foundry process and product application expertise and excellence in quality and customer service.

## Foseco Values

The Group has adopted values that guide the Company in its ability to grow and significantly improve its results. The Company conducts an extensive strategic review of its activities. Following this review, ambitious goals are set for its growth and improvement of its profitability.

To help each one of the employees make the right decisions and bring them together – the following set of values and behaviours' have been built: **CORE – Courage, Ownership, Respect and Energy.**

These values convey the mindset and attitudes which is expected from each of the employees to actively demonstrate every day. The Management firmly believes that these CORE values will enable the Company to strengthen its leadership position in the business.

## Integrity of Financial Reporting

The Company ensures that adequate controls are in place to provide accurate and timely disclosure on all material matters including the financial situation, performance, ownership and governance of the Company. The audit process is supervised by the Audit Committee of the Board and is undertaken by an independent firm of Chartered Accountants, accountable directly to the Audit Committee.

## Rights of the Shareholders

Foseco believes in protecting the rights of the shareholders. It ensures to provide adequate and timely disclosure of all information to the shareholders in compliance with the applicable laws. Shareholders are furnished with sufficient and timely information concerning the general meetings, full and timely information regarding the issues to be discussed thereat, rules regarding holding and conducting of the general meetings, opportunity to participate effectively and vote in general meetings, rules of the voting process, exercise of ownership rights and mechanism to address their grievances. They are informed of all key decisions concerning fundamental corporate changes. The minority shareholders are made aware of their rights of protection from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly. All shareholders are treated equitably.

## Role of the Stakeholders

The Company recognises the rights of its stakeholders, encourage co-operation and respects their rights that are established by law or through mutual agreements. The stakeholders are provided opportunity to obtain effective redressal for violation of their rights. They get access to relevant, sufficient and reliable information on a timely and regular basis enabling them to participate in corporate governance process. The Company has laid down an effective whistle blower mechanism

enabling stakeholders, including individual employees to freely communicate their concerns about illegal or unethical practices.

### Framework on Insider Trading

The Company's shares are listed on the BSE Limited and the National Stock Exchange of India Limited. With the view to preventing insider trading and abusive self-dealing in the securities of the Company, the Company has formulated a Code of Conduct to Regulate, Monitor and Report Trading of the Company's securities by Insiders in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. As a part of this Code, the Company's Directors, Key Managerial Personnel, designated employees, Promoters and all other persons who have professional or business relationship, whether directly or indirectly, are advised of the closure of the trading window for dealing / transacting in the Company's Equity Shares prior to the announcement of the quarterly, half-yearly and annual financial results of the Company, declaration of dividend and other price sensitive information. The Code of Conduct is available on the Company's website at <https://fosecoindia.com/Policies.aspx>.

### Investor Services

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

### Performance Measurement

Foseco places considerable importance on the measurement of performance of employees, the purpose being to support all employees and the organisation to perform to their peak potential. The process includes the regular and transparent review of the performance of all employees against agreed objectives and behaviour. Employee remuneration is linked to individual and Company performance. Likewise, the commission paid to Independent Directors is linked to the performance of the Company.

## Board of Directors

### Composition and Category of Directors

The Board of Directors of the Company is an optimal combination of Executive, Non-Executive and Independent Directors who have in-depth knowledge of business, in addition to the expertise in their areas of specialisation.

As on December 31, 2022, the Board of the Company comprised of six directors, all of whom except the Managing Director are Non-Executive Directors with three directors being Independent Directors. Two of the Non-Executive Directors are nominated by Foseco Overseas Limited, London, United Kingdom. The current strength of the Board includes two woman directors

out of which one is an Independent Director as required under applicable legislation. The Chairperson of the Board is a Non-Executive Independent Director.

### The background of each Director is summarised below:

#### (a) RAVI MOTI KIRPALANI (DIN: 02613688), Non-Executive Chairperson and Independent Director

Mr. Ravi Moti Kirpalani is a Non-Executive Independent Director and Chairperson on the Board of Foseco India Limited appointed on October 26, 2018. He has studied Economics at St. Stephen's College, New Delhi and holds a degree in Bachelor of Arts (Honours Course) from the University of Delhi. He has completed Post-Graduate Diploma in Management from the Indian Institute of Management, Calcutta. He has worked as the Managing Director and CEO of Thyssenkrupp India Private Limited and Managing Director of Castrol Limited in India and in the UK. Mr. Kirpalani has wide ranging experience in sales, marketing and strategy development. He has worked with global and culturally diverse teams and led major transformational programmes. He has deep passion for customer relationships, building brands, enjoys engaging and energising people and helps in building a culture based on values.

Mr. Kirpalani is an Independent Director on the Board of the following listed companies:-

- i) Foseco India Limited, and
- ii) Greaves Cotton Limited

He is a Member of the Committees of the Board of the following Companies:-

- i) Foseco India Limited – Chairperson of the Stakeholders' Relationship Committee of the Board of the Company and also a Member each of the Audit Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee and the Risk Management Committee of the Board.
- ii) Greaves Cotton Limited – Member each of the Stakeholders' Relationship and Share Transfer Committee and the Nomination and Remuneration Committee of the Board.

He is not related to any of the existing Directors of the Company and does not hold any shares in the Company, either by himself or as a beneficial owner.

#### (b) ANITA BELANI (DIN: 01532511), Non-Executive Independent Director

Ms. Anita Belani is a Non-Executive Independent Director on the Board of Foseco India Limited appointed on June 21, 2019. Ms. Anita Belani is a seasoned professional with 35 years of rich post MBA experience as a senior business and human capital

leader. She did her M.B.A. from XLRI, Jamshedpur and B.A.(Hons) in Economics from Miranda House, University of Delhi.

Ms. Belani's last assignment was with Gaja Capital as an Operating Partner. Prior to that she was the India MD of Russell Reynolds Associates, Country Head India of Right Management & Watson Wyatt. Her areas of expertise include change management, restructuring, organizational effectiveness, succession planning, leadership development and talent management.

Ms. Belani has previously worked with Sun Microsystems in San Francisco as a Senior HR Business Partner in charge of strategic global HR. Prior to that, she was in a senior business partner role with KPMG in the USA and was instrumental in building the India operations of Jardine Fleming. She has also worked with American Express TRS in the early part of her career.

Ms. Belani is an Independent Director on the Board of the following listed companies:-

- i) Foseco India Limited,
- ii) Redington India Limited, and
- iii) IDFC Limited

She is a Member of the Committees of the Board of the following Companies:-

- i) Foseco India Limited - Chairperson each of the Corporate Social Responsibility Committee and the Nomination and Remuneration Committee of the Board of the Company and also a Member each of the Audit Committee, the Stakeholders' Relationship Committee and the Risk Management Committee of the Board.
- ii) Redington India Limited - Member of the Stakeholders' Relationship Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee and the Risk Management Committee of the Board, and
- iii) IDFC Limited - Member of the Audit Committee and the Strategy and the Investment Committee and the Chairperson of the Nomination and Remuneration Committee of the Board

She is not related to any of the existing Directors of the Company and does not hold any shares in the Company, either by herself or as a beneficial owner.

**(c) AMITABHA MUKHOPADHYAY (DIN: 01806781), Non-Executive Independent Director**

Mr. Amitabha Mukhopadhyay is a Non-Executive Independent Director on the Board of Foseco India Limited appointed on July 27, 2021. Mr. Mukhopadhyay has over 33 years of professional experience in finance and general management. He is a graduate from the University of Calcutta in Physics (Hons). He is a Chartered Accountant from the Institute of

Chartered Accountants of India and a rank-holder. He is also a law graduate from the Pune University.

Mr. Mukhopadhyay is the Managing Director of IFB Agro Industries Limited. Earlier he has worked as Group CFO for leading Indian groups for almost two decades and also held role as Business Head of disparate businesses. In a career spanning over three decades, mostly divided between Tata Group and Thermax, held leadership roles in corporate finance, M&A and corporate strategy. He has track record of successfully driving turnarounds and transformation as Business Head.

Mr. Mukhopadhyay has served as the Group Chief Financial Officer of Thermax till 2019 and was a member of the Group Executive Council and held the role of General Counsel and Group IT Chief.

Mr. Mukhopadhyay is an Independent Director on the Board of the following listed companies:-

- i) Foseco India Limited, and
- ii) Quick Heal Technologies Limited.

Additionally, he is the Managing Director of IFB Agro Industries Limited, a listed entity.

He is a Member of the Committees on the Board of the following Companies:-

- i) Foseco India Limited - Chairperson each of the Audit Committee and the Risk Management Committee of the Board and a Member each of the Board's Stakeholders' Relationship Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee
- ii) Quick Heal Technologies Limited - Chairperson of Audit Committee and a Member each of the Board's Stakeholders' Relationship Committee and the Nomination and Remuneration Committee
- iii) IFB Agro Industries Limited - Member of the Risk Management Committee

He is not related to any of the existing Directors of the Company and does not hold any shares in the Company, either by himself or as a beneficial owner.

**(d) GUY FRANKLIN YOUNG (DIN: 08334721), Non-Executive Non-Independent Director; Nominee of Foseco Overseas Limited**

Mr. Guy Franklin Young is a Non-Executive and Non-Independent Director on the Board of the Company, who was appointed as a Director of the Company on January 25, 2019, being nominated by the Holding Company - Foseco Overseas Company.

Mr. Guy Franklin Young is a British and South African citizen, being qualified with the South African Institute of Chartered Accountants and has a wealth of financial and operational insight gained through his extensive international experience in the mining and industrial sectors.



Mr. Young was appointed as a Director and Chief Financial Officer of Vesuvius plc on November 01, 2015. Prior to joining the Vesuvius Group, he served as a Chief Financial Officer of Tarmac and latterly Lafarge Tarmac, the British building materials company, from January 2011 to October 2015. He has held a number of senior financial and business development positions at Anglo American plc from 1997 to 2010, including the position of CFO of Scaw Metals Group, the South African steel products manufacturer.

Mr. Young does not hold Directorship in any other public company in India except Foseco India Limited. He is a Member of the Board's Audit Committee. He is not related to any of the existing Directors of the Company and does not hold any shares in the Company, either by himself or as a beneficial owner.

**(e) KARENA CANCELLERI (DIN: 07163534), Non-Executive Non-Independent Director; Nominee of Foseco Overseas Limited**

Ms. Karena Cancilleri was appointed as a Director on the Board of the Company on October 31, 2019. She is a Non-Executive Non-Independent Director on the Board, having been appointed as a nominee of the Holding Company - Foseco Overseas Limited. Ms. Karena Cancilleri, is an Italian citizen. She holds a Master's degree in Chemistry from University of Turin in Italy and a degree of Master of Business Administration from the University of Strathclyde, Glasgow, United Kingdom.

Ms. Cancilleri joined Vesuvius plc on October 01, 2019 as President, Foundry Technologies. She was previously VP Engineered Products for Beaulieu International Group, a global specialist in raw chemical materials and semi-finished engineered products for residential and commercial markets, where she worked from 2013 to 2019. Her experience spans across various international leadership roles and, prior to her appointment with Beaulieu International Group, she held management positions in companies such as Shell Chemicals, Kraton Corporation and FiberVisions. Ms. Cancilleri is a highly strategic and global executive with a successful track record spanning over 20 years in developing and executing forward-thinking business strategies designed to be competitive in global markets.

Ms. Cancilleri does not hold Directorship in any other public company in India except Foseco India Limited. She is a Member of the Board's Nomination and Remuneration Committee. She is not related to any of the existing Directors of the Company and does not hold any shares in the Company, either by herself or as a beneficial owner.

**(f) PRASAD CHAVARE (DIN: 08846863), Managing Director and Chief Executive Officer**

Mr. Prasad Chavare was appointed a Director on the Board of the Company with effect from May 06, 2021, pursuant to the provisions of Section 152 and 161 of

the Companies Act 2013. Consequently, Mr. Chavare was also appointed and designated as the Managing Director and Chief Executive Officer (MD & CEO), for a period of 5 years with effect from June 01, 2021 up to May 31, 2026. He will be liable to retire by rotation.

Mr. Prasad Chavare is a Bachelor of Engineering (Mechanical) from Pune University. Additionally, he has done Master of Business Administration in Marketing Management from Pune University.

Mr. Chavare is having rich and extensive experience of over two decades spanning across continents and diverse industries such as Automotive, Power Generation, Turnkey Projects, Construction and Building Materials. With an international stint of seven years and leading cross functional regional and global teams, he brings in his diverse experience in Business Turnaround and Business Operations Restructuring, Strong P&L Management, Sales, Marketing, Six Sigma and Supply Chain Management.

Mr. Chavare has worked with Cummins Technologies India Private Limited, as a Wholtime Director and a country leader, having spent a significant portion of his experience in the manufacturing and engineering sector with Cummins and has also worked with Hilti India. He is a well-recognized speaker in Leadership, Strategy, Marketing and Six Sigma.

Mr. Chavare does not hold Directorship in any other public company in India except Foseco India Limited. He is a Member each of the Board's Stakeholders' Relationship Committee, the Risk Management Committee and the Corporate Social Responsibility Committee. He is not related to any of the existing Directors of the Company and does not hold any shares in the Company, either by himself or as a beneficial owner.

**Disclosure of Directors' and Others Interest in Transactions with the Company**

None of the Directors', Key Managerial Personnel and Senior Management, whether they, directly, indirectly or on behalf of third parties, have had any material interest in any transaction or matter directly affecting the Company pursuant to the provisions of Regulation 4(2)(f) of the SEBI Listing Regulations.

However, some commercial transactions had taken place with some of the Companies where the Managing Director was also a Director of that other company. Such transactions had taken place only at arm's length basis and in the ordinary course of business, which have been disclosed to the Board and entered in the Register of Contracts and approved by the Board in accordance with the requirements of the Companies Act, 2013 and SEBI Listing Regulations.

**Independent Directors**

The Independent Directors of the Company fully meet the requirements laid down under Regulation 16(1)(b) of the SEBI Listing Regulations. The Company has received

a declaration from each of the Independent Directors confirming compliance with the criteria of independence as laid down under this Regulation as-well-as Section 149(6) of the Companies Act, 2013.

Based on the declarations received from the Independent Directors, the Board of Directors of your Company confirm the independence, integrity, expertise and experience (including the proficiency) of the Independent Directors of your Company.

### Board and Committee Memberships

As mandated by Regulation 26(1) of SEBI Listing Regulations, none of the Directors on the Board is a Member of more than ten (10) Committees and none is a Chairperson of more than five (5) Committees across all Public Limited Listed Companies in which they are Directors. All the Directors have made necessary disclosures regarding Committee positions held by them in other Companies and notify changes as and when they take place. The table below gives the

details of Directorships, Committee Memberships and Chairpersonships in all Public Limited Listed Companies including Foseco India Limited, as on 31 December 2022.

The numbers shown in the table below, excludes Directorships and Committee Memberships of Private Limited Companies, Foreign Companies, High-Value Debt Listed Companies and Companies under Section 8 of the Companies Act, 2013. For the purpose of determination of limit, the Chairpersonship and Membership of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered.

A total of four Board Meetings were held during the year 2022 on the following dates: February 10, 2022, May 12, 2022, July 29, 2022 and November 09, 2022. The intervening gap between any two Board Meetings was within the period of 120 days. During the year, one meeting was held in physical mode and the other meetings were held virtually in audio-visual mode.

Composition of the Board and the Directorships held as on **December 31, 2022** is as follows:

Name of the Director	Category	Number of Board Meetings attended during the year 2022	Attendance at the last AGM held on May 11, 2022	Number of Directorships in all Public Limited Listed Companies including Foseco	Number of Memberships in Audit / Stakeholder Committee(s) held in all Public Limited Listed Companies including Foseco	Number of Post of Chairpersonships in Audit / Stakeholder Committee(s) held in all Public Limited Listed Companies including Foseco
Ravi Moti Kirpalani (DIN: 02613688)	Chairperson, Independent, Non-Executive	4	Yes	2	3	1
Guy Franklin Young (DIN: 08334721)	Non-Independent, Non-Executive	2	Yes	1	1	0
Anita Belani (DIN: 01532511)	Independent, Non-Executive	4	Yes	3	4	0
Karena Cancilleri (DIN: 08598568)	Non-Independent, Non-Executive	4	Yes	1	0	0
Prasad Chavare (DIN: 08846863)	MD & CEO	4	Yes	1	1	0
Amitabha Mukhopadhyay (DIN: 01806781)	Independent, Non-Executive	4	Yes	3	4	2

### Board Membership Criteria and list of core skills/expertise/competencies

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- ▶ composition of the Board, which is commensurate with the size of the Company, its portfolio and its status as a listed Company;

- ▶ desired age and diversity on the Board;
- ▶ size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive;
- ▶ balance of skills and expertise in view of the objectives and activities of the Company;
- ▶ professional qualifications, expertise and experience in specific area of relevance to the Company;
- ▶ avoidance of any conflict of interest;
- ▶ availability of time and other commitments for proper performance of duties;

- ▶ personal characteristics being in line with the Company's;
- ▶ values, such as integrity, honesty, transparency, pioneering mindset.

In terms of requirement of SEBI Listing Regulations, the Board has identified the following skills/expertise/competencies of the Directors and available within the Board of the Company for effective functioning:

Name of the Director	Skill / Expertise / Competencies
Ravi Moti Kirpalani	Strategic Thinking, General Management, Sales and Marketing, HR and People Practices, Finance and Accounts, Corporate Governance, Risk Management, Regulatory and Compliance Matters
Prasad Chavare	Strategic Thinking, General Management, Sales and Marketing, HR and People Practices, Finance and Accounts, Legal, Corporate Governance, Risk Management, Industry – Chemical, Technical – Chemical, Industrial – Manufacturing, Health, Safety and Environment, Regulatory and Compliance Matters
Amitabha Mukhopadhyay	General Management, Finance and Accounts, Legal, Corporate Governance, Risk Management, Taxation, Regulatory and Compliance Matters
Guy Franklin Young	Strategic Thinking, General Management, HR and People Practices, Finance and Accounts, Legal, Corporate Governance, Risk Management, Taxation, Regulatory and Compliance Matters
Anita Belani	General Management, HR and People Practices, Corporate Governance, Risk Management, Regulatory and Compliance Matters
Karena Cancilleri	Strategic Thinking, General Management, Sales and Marketing, HR and People Practices, Finance and Accounts, Legal, Corporate Governance, Risk Management (Operations), Health, Safety and Environment, Regulatory and Compliance Matters

### Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as an Independent Director on the Board. The Committee inter alia considers qualification, positive attributes, area of expertise and number of Directorship(s) and Membership(s) held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he / she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he / she meets the criteria of independence as provided under the law and that he / she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management.

### Tenure of Independent Directors

The tenure of the Independent Directors is fixed in accordance with the requirements laid down in the Companies Act, 2013 and clarifications / circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

### Separate meetings of the Independent Directors

The Independent Directors held a Meeting virtually in the audio-visual mode on February 07, 2023, without the attendance of Non-Independent Directors and members of the Management. All the Independent Directors were present at the Meeting, where they:

- i. reviewed the performance of Non-Independent Directors and the Board as a whole;
- ii. reviewed the performance of the Chairperson of the Company, taking into account the views of Non-Executive Directors;
- iii. assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors were of the unanimous view that the Non-Independent Directors (NID) are extremely positive and that their contribution to the Board Meeting is much appreciated. One of the NID brings a lot of experience in both process and financial matters thus adding value to discussion on issues across the board. His professional approach and intimate knowledge of business enables him to provide value adding inputs, while the other NID also received very high overall ratings from the Independent Directors. The directors appreciated that she is very willing to reach out to the directors for guidance and inputs. The directors found her to be open and transparent.

The Directors felt that the Fosoco Board is fortunate to have Mr. Ravi Kirpalani as the Chairperson. His leadership and inclusive style make it a pleasurable experience to be part of the Board. The Chairperson has the requisite experience, knowledge and skills to add value

to the business strategy and operations. He shares his expertise regarding the organization and other related matters and discusses every matter transparently and welcomes suggestions. He provides the directors the opportunity to express their views openly.

The Independent Directors are of the view that the information provided by the Company Management is complete, of high quality and is furnished with full disclosure in a professional and timely manner. The Management is open to sharing overall information. The Directors are appreciative of quality and depth of knowledge of the Company Management. The effectiveness of the Board and its various committees are summarized below.

All were aligned on the fact that the Board Meetings are well run and there is a very good sense of understanding and trust amongst the Board Members. This has resulted in the Board Meeting or Committee Meetings being very open and transparent and in turn in its effective functioning.

#### **Familiarisation programme for Independent Directors**

Whenever any person joins the Board of the Company as an Independent Director, an induction programme is arranged for him / her wherein he / she is familiarised with the Company, their roles, rights and responsibilities in the Company, the Code of Conduct and Ethics to be adhered to, nature of the industry in which the Company operates, business model of the Company, meeting with the senior management team members, etc. The Company undertakes various measures to update the Directors, from time to time, of any significant changes in the ongoing events and development relating to the Company.

The Company also undertakes various programmes to update the Directors, from time to time, of any significant changes in the ongoing events and development relating to the Company. The details of such familiarisation programmes imparted to the independent directors can be viewed on the Company's website at <https://fosecoindia.com/Policies.aspx>.

#### **Meetings of the Board**

**Frequency:** The Board meets at least once a quarter to review the quarterly results and other items of the Agenda. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, Resolutions are passed by circulation, as permitted by law, which is confirmed in the next Board / Committee Meeting. The Company effectively uses video conferencing facility to enable the participation of Directors who may not be able to attend physically due to some exigencies.

**Meetings Calendar:** The probable dates of the Board / Committee Meetings for the forthcoming year are decided well in advance in order to facilitate and assist the Directors to plan their schedules for the Meetings.

The indicative annual calendar of the Meetings forms part of this Report.

**Board Meeting Location:** The location of the Board / Committee Meetings is informed well in advance to all the Directors, to facilitate their attendance. During the year, one meeting was held in physical mode. All other meetings were held virtually by means of audio-visual mode.

**Notice and Agenda distributed in advance:** The Company's Board / Committees are presented with detailed notes, along with the agenda papers, well in advance of the Meeting. The Agendas for the Board / Committee Meetings is set by the Company Secretary in consultation with the Chairperson of the Board / Committees. All material information is incorporated in the Agenda for facilitating meaningful and focused discussions at the Meeting. Where it is not practical to attach any document to the Agenda, the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary items on the Agenda are permitted. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management.

**Other Matters:** The senior management team of the Company is advised to schedule its work plans in advance, particularly with regard to matters requiring discussions / decision with the Board / Committee Members.

**Presentations by Management:** The Board / Committee is given presentations, wherever practicable covering health, safety and environment, finance, sales, marketing, major business segments and operations of the Company, global business environment including business opportunities, business strategy, risk management practices and operating performance of the Company before taking on record the financial results of the Company.

**Access to employees:** The Directors are provided free access to officers and employees of the Company. Whenever any need arises, the Board / Committee Members are at liberty to invite the personnel whose presence and expertise would help the Board / Committee Members to have a full understanding of matters being considered.

#### **Information Placed Before the Board / Committees:**

Among others, information placed before the Board / Committees includes:

- Annual operating plans of business and budgets and any updates thereof.
- Capital budgets and any updates thereof.
- Quarterly Results of the Company including its operating divisions or business segments.
- Minutes of the Meetings of the Board and all Committees of the Board.



- The information on recruitment and remuneration of senior officers just below the Board level, including the appointment or removal, if any, of Chief Financial Officer and Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- Details of joint venture(s) or collaboration agreement(s), if any.
- Transactions that involve substantial payment towards royalty, goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front, as and when it occurs.
- Sale of investments, assets which are material in nature and not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or SEBI Listing requirements and shareholders' service, such as non-payment of dividend, delay in share transfer, if any, etc., and steps taken by company to rectify instances of non-compliances, if any.
- Making of loans and investments of surplus funds.
- General notices of interests of Directors. Declarations submitted by Independent Directors at the time of appointment and also annually.
- Formation / Reconstitution of Board Committees.
- Appointment, remuneration and resignation of Directors.
- Dividend declaration.
- Significant changes in accounting policies and internal controls.
- Appointment of and fixation of remuneration of the Auditors as recommended by the Audit Committee.
- Annual financial results of the Company, Auditors' Report, Directors' Report, Corporate Governance Report etc.

- Compliance Certificates of all the laws as applicable to the Company.

**Minutes of the Meetings:** The draft Minutes of the proceedings of the Meetings are circulated amongst the Members of the Board / Committees. Comments and suggestions, if any, received from the Directors are incorporated in the Minutes, in consultation with the Chairperson. The Minutes are confirmed by the Members and signed by the Chairperson at the next Board / Committee Meetings. All Minutes of the Committee Meetings are placed before the Board Meeting for perusal and noting.

**Post meeting follow-up mechanism:** The Company has an effective post meeting follow-up review and reporting process for the decisions taken by the Board and Committee(s) thereof. The important decisions taken at the Board / Committee(s) Meetings which calls for actions to be taken are promptly initiated and where required communicated to the concerned departments / divisions. Periodical Action Taken Reports are also sent to all the Directors through e-mails between two Meetings on the action taken on previous pending points.

### Code of Conduct and Ethics

The Company's Code of Conduct and Ethics provides guidelines to be followed by all Members of the Board of Directors and Senior Management to ensure the highest standards of professional conduct. Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for the year ended December 31, 2022 on behalf of themselves and to the extent that they are aware, on behalf of all employees reporting to them. A declaration signed by the Managing Director of the Company to this effect is contained at the end of this report. The said Code can be viewed on the Company's website at <https://fosecoindia.com/Policies.aspx>.

### Committees of the Board

As on December 31, 2022, the Company had: Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, the Corporate Social Responsibility Committee and the Risk Management Committee.

The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by the Members of the Board, as a part of good governance practice. The Company's guidelines relating to Board Meetings are applicable to Committee Meetings, as far as may be practicable. Each Committee has the authority to obtain at the Company's expense, outside legal and professional advice on any matters within its term of reference. The Board Committees can request special invitees to join the meeting, as appropriate. The Controller of Accounts and Company Secretary acts as the Secretary of all the Committees.



During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

The functioning of all the Committees of the Board of Directors is guided by well-laid down terms of reference, that has been framed keeping in view the requirements prescribed for such Board Committees under the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

The details of these Committees are set out below.

## 1. AUDIT COMMITTEE

### Terms of Reference

The primary purpose of the Committee is to monitor and provide effective supervision of the Company's financial reporting processes in order to ensure timely,

accurate and proper disclosures and the transparency, integrity and quality of financial reporting.

### Composition

The Audit Committee comprises 4 Members, Mr. Amitabha Mukhopadhyay, Mr. Ravi Moti Kirpalani and Ms. Anita Belani, all of whom are Non-Executive Independent Directors and Mr. Guy Franklin Young, who is a Non-Executive, Non-Independent Director. Mr. Amitabha Mukhopadhyay, Chartered Accountant, a Chairperson of the Audit Committee, has considerable financial expertise and experience. The Managing Director, the Chief Financial Officer, the Statutory Auditor and the Internal Auditor are permanent invitees to the Committee. The Controller of Accounts and Company Secretary acts as a Secretary to the Committee.

### Audit Committee Meetings and Attendance of Directors

A total of four Audit Committee Meetings were held during the year 2022 on the following dates: February 10, 2022, May 12, 2022, July 29, 2022 and November 09, 2022. The intervening gap between any two Board Meetings was within the period of 120 days. During the year, one meeting was held in physical mode and the other meetings were held virtually in audio-visual mode. The attendance of the Members at these Meetings was as follows:

Name of the Directors	Number of meetings held during the respective tenure of the director during the year	Number of meetings Attended
Ravi Moti Kirpalani	4	4
Guy Franklin Young	4	2
Anita Belani	4	4
Amitabha Mukhopadhyay	4	4

### Role of the Audit Committee inter-alia includes the following:

- Conduct oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Monitor the integrity of the financial statements of the Company, including its annual and interim reports, preliminary results' announcements and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgments which they contain. The Committee shall also review summary financial statements, significant financial returns to regulators and any financial information contained in certain other documents, such as announcements of a price sensitive nature;
- Review where necessary:-
  - ▶ the methods used to account for significant or unusual transactions where different approaches are possible;
  - ▶ whether the Company has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the view of the Statutory Auditor;
  - ▶ the clarity of disclosure in the Company's financial reports and the context in which statements are made;
  - ▶ all material information presented with the financial statements, such as the notes to the accounts;
  - ▶ the CEO / CFO Certification.
- Review at each Meeting the statement of Related Party Transactions as defined in the Indian Accounting Standard 24 on the Related Party Disclosures and the statement of contingent liabilities including those relating to Income and Commercial taxation.
- Approve Related Party Transactions, or any subsequent modification of the transactions of the Company with the related parties.
- Review, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency

- monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
  - Scrutinise inter-corporate loans and investments;
  - Order valuation of undertakings or assets of the Company, wherever it is necessary;
  - Look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
  - Review, with the Management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
    - ▶ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    - ▶ Changes, if any, in accounting policies and practices and reasons for the same;
    - ▶ Major accounting entries involving estimates based on the exercise of judgment by management;
    - ▶ Significant adjustments made in the financial statements arising out of audit findings;
    - ▶ Compliance with listing and other legal requirements relating to financial statements;
    - ▶ Disclosure of any related party transactions;
    - ▶ Modified Opinion(s) in the draft audit report;
    - ▶ The going concern assumption;
    - ▶ Compliance with the Indian Accounting Standards.
  - Review with the management and recommend for Board approval, the quarterly financial statements after having reviewed the limited review process with the Statutory Auditors.
  - Approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  - Carry out any other function as is mentioned in the terms of reference of the Audit Committee.
  - Review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
  - Evaluate the Internal Financial Controls and Risk Management Systems.
  - Review the effectiveness and adequacy of the Internal audit functions and processes including the performance of the Internal Auditors.
  - Formulate the scope, functioning, periodicity and methodology for conducting the internal audit, in consultation with the Internal Auditors.
  - Discuss with the Internal Auditor of any significant findings and follow-up thereon.
  - Consider and make recommendations to the Board, the appointment, re-appointment including the terms of appointment or re-appointment and, if required, the replacement or removal of the Company's Statutory Auditors, subject to the approval of the Members at the Annual General Meeting;
  - Propose to the Board, the Statutory Auditors remuneration having regard to the level of fees which is appropriate to enable an adequate audit to be conducted, subject to the approval of the Members at the Annual General Meeting;
  - Assess annually the Statutory Auditors independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the Auditor as a whole, including the provision of any non-audit services;
  - Review and approve the payment to the Statutory Auditors for any other services rendered by them;
  - Monitor the Auditors compliance with relevant ethical and professional guidelines including the rotation of audit partners;
  - Assess annually the Auditor's qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the Statutory Auditor on their own Internal quality procedures;
  - Review and approve the annual audit plan and ensure that it is consistent with the nature and scope of the audit engagement;
  - Review the findings of the audit and limited reviews with the Statutory Auditors. This shall include but not be limited to, the following;

- ▶ A discussion of any major issues which arise during the audit or limited review;
- ▶ Any errors identified during the audit or limited review.
- Review the Auditor's management letter and management's response.
- Discuss with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Review the overall effectiveness and adequacy of the external audit functions and processes including performance of the Statutory Auditors in terms of value addition.
- Implement and regularly review the policy on the rendering of the non-audit services by the Statutory Auditors.
- Review the Whistle-blower Policy and taking stock of any report from the Directors and employees on the same.

#### Risk Management

The Audit Committee reviews the risk assessment and minimisation procedure of the Company and ensure that these are implemented and monitored effectively.

## 2. NOMINATION AND REMUNERATION COMMITTEE

#### Terms of Reference

The primary purpose of the Committee, among other things, is to determine and propose the following for Board's approval:-

- i) identify persons who are qualified to become Directors and who may be appointed in senior

**Nomination and Remuneration Committee Meetings and Attendance of Directors** – During the year, one Meeting of the Nomination and Remuneration Committee was held virtually in audio-visual mode on February 10, 2022. The attendance of the Members at these Meetings was as follows:

Name of the Directors	Number of meetings held during the respective tenure of the director during the year	Number of meetings Attended
Ravi Moti Kirpalani	1	1
Anita Belani	1	1
Karena Cancilleri	1	1
Amitabha Mukhopadhyay	1	1

#### Selection of Directors

Selection and appointment of Directors is done based on various criteria viz., Determining Qualifications, Positive Attributes & Independence of a Director and Policy for Board diversity. The criteria inter-alia includes qualification in any professional discipline or proven track record of strong managerial capabilities; possessing knowledge and skills in one or more fields of sales, marketing, technical operations, research, accounting, finance, management, administration, corporate governance; possessing relevant experience at policy-making and at leadership

management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal;

- ii) carry out evaluation of every Director's performance along with the Board;
- iii) formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- iv) formulate the criteria for performance evaluation of Independent Directors and the Board of Directors;
- v) devise a policy on Board diversity;
- vi) appointment of any Director as the Member Chairperson, if thought fit, of various Committees of the Board;
- vii) evaluate the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- viii) all remuneration, in whatever form, payable to senior management;
- ix) ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

#### Composition

As on December 31, 2022, the Committee comprised of four Members – Ms. Anita Belani as Chairperson, Mr. Ravi Moti Kirpalani and Mr. Amitabha Mukhopadhyay as Non-Executive Independent Directors and Ms. Karena Cancilleri as Non-Executive Non-Independent Director.

position in large organisations; having high standards of integrity and probity etc. In case of Independent Directors, he/she must fulfill the criteria of independence attributes to bring independent judgment to Board's deliberations and decisions over and above other attributes. Woman member on the Board to be selected on merit.

#### Performance evaluation criteria for Independent Directors (IDs)

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of

Independent Directors. The framework of performance evaluation of the Independent Directors captures the following points:

- A) Key attributes of the IDs that justify his / her extension / continuation on the Board of the Company;
- B) Participation of the Directors in the Board proceedings and his / her effectiveness, contribution at the Meetings, guidance / support to the Management;

The assessment to determine the key attributes of the Directors covers the following:

- ability and willingness to speak up
- ability to carry others
- ability to disagree, stand his/her ground
- displays independence of judgement
- focus on shareholder value creation
- high governance standards
- is well informed of the agenda and well prepared on the issues to be discussed thereat

The Board of Directors (excluding the Director being evaluated) had evaluated the performance of all the Independent Directors on the Board and have determined to continue with the term of appointment of the Independent Directors. All the Independent Directors have furnished a declaration that he / she meets the criteria of independence as laid down in Section 149 of the Companies Act, 2013. The required information of the Directors who are seeking appointment or re-appointment is set out in the annexure to the AGM Notice.

#### **Performance Evaluation of Board, Committees and Directors**

Based on the criteria laid down, the Board carried out the annual performance evaluation of Board, the Committees and the other Directors. Whereas at a separate meeting, Independent Directors evaluated the performance of the Non-Independent Director, the Board as a whole and of the Chairperson. As per the criteria for evaluation of the Board, it covers: Degree of fulfillment of key responsibilities by the Board, structure and composition of the Board aligning to the need and strategy of the Company; establishment and delineation of responsibilities to the Committees; effectiveness of Board processes, information and functioning; Board culture and dynamics; quality of relationship between the Board and the Management; efficacy of communication with the external stakeholders.

Performance evaluation criteria for Managing Director inter alia include: level of skill, knowledge and core competence; performance and achievement vis-à-vis budget and operating plans; Effectiveness towards ensuring statutory compliances; discharging duties/responsibilities towards all stakeholders; reviewing/

monitoring Executive management's performance, adherence to ethical standards of integrity & probity; employment of strategic perception and business acumen in critical matters etc.

Committees of the Board are evaluated for their performance based on: effectiveness in discharging duties and responsibilities as outlined in the charter, specifically satisfying itself on integrity of financial statements and financial reporting, management of enterprise risk, compliance with laws and regulations, sufficiency in addressing the objectives for which it is set up, among other things; adequacy of Committee's composition; effectiveness of the various Meetings based on frequency of the Meetings, agenda discussed, time allotted, adequacy of information provided etc., dynamism of Committees giving an idea to the Members on their role and responsibilities; quality of relationship of the various Committees with the Board and the Management showing high degree of responsiveness and providing strategic guidance / direction to the Board on various matters coming under Committee's purview etc.

Performance evaluation was done by rating the performance on each criteria on the scale of 1 to 5, 1 being strongly disagree and 5 being strongly agree. Separate exercise was carried out for evaluation of each Director and category i.e. Independent Directors, Chairperson, the Board and the Committees. The Board expressed its satisfaction on the process as well as performance of all the Directors, the Committees and the Board as a whole.

#### **Remuneration Policy**

##### **(A) Managing Director**

The remuneration paid / payable to the Managing Director is in accordance with the limits fixed by the Board and approved by the Members. The total remuneration comprises fixed component consisting of salary and perquisites in accordance with the Company's policy and a performance bonus linked to Company performance. Increase in fixed remuneration is dependent upon both the Managing Director's and the Company's performance and is assessed annually. The performance bonus is based on a set of stretch targets that reflect the overall financial performance of the Company each year. The Company do not have any stock options scheme for any employee of the Company.

The remuneration to Managing Director is fair and reasonable after taking into account, level of skill, knowledge and core competence of individual, functions, duties and responsibilities, Company's performance and achievements, compensation of peers and industry standard and other factors.

The Committee recommends periodic revision in the remuneration of Managing Director to the Board and the Board fixes his remuneration taking into

consideration the above factors as also ceiling limits prescribed under the Companies Act, 2013. The same is subject to the approval of the Members, wherever required.

During the financial year ended December 31, 2022, the Company has paid the following remuneration to the Managing Director & Chief Executive Officer:

Salary	₹ 167.44 lakh
Total perquisites	₹ 71.38 lakh
<b>Total</b>	<b>₹ 238.82 lakh</b>

Apart from the above, no other remuneration is paid to the Non-Executive Independent Directors. The amount paid in the financial year ended 31 December 2022 is summarised below:

Directors	Sitting Fees for the year 2022 (₹ in lakh)	Commission for the year 2021 paid in 2022 (₹ in lakh)
Ravi Moti Kirpalani	6.90	7.70
Anita Belani	6.90	7.00
Amitabha Mukhopadhyay	6.90	3.03
Ajit Shah	-	5.43

The commission for the year 2022 becomes due and payable only after the approval of the Annual Accounts by the Members at the Annual General Meeting held after the conclusion of the financial year.

During the year, there were no other pecuniary relationships or transactions of Non-Executive Directors with the Company. The Company

has not granted any stock options to its Non-Executive Directors.

#### Directors' & Officers' Liability Insurance

In line with the requirements of Regulation 24(10) of the SEBI Listing Regulations, the Company has in place a Directors and Officers Liability Insurance policy.

### 3. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

#### Terms of Reference

The Terms of Reference of the CSR Committee are as under:

- ▶ Formulate and recommend to the Board, a CSR Policy.
- ▶ Recommend the amount of expenditure to be incurred on CSR activities.
- ▶ Institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.
- ▶ Monitor CSR policy from time to time.

#### Composition

The Committee comprises four Members, three of whom are Independent Directors – Ms. Anita Belani as the Chairperson, with Mr. Ravi Moti Kirpalani, Mr. Amitabha Mukhopadhyay and Mr. Prasad Chavare as the other Members. The Controller of Accounts and Company Secretary acts as a Secretary to the Committee.

#### CSR Committee Meetings and Attendance of Directors

During the year, one Meeting of the CSR Committee was held on February 10, 2022 virtually in audio-visual mode. The attendance of the Members at this Meeting is given below:

Name of the Directors	Number of meetings held during the respective tenure of the director during the year	Number of meetings Attended
Anita Belani	1	1
Ravi Moti Kirpalani	1	1
Amitabha Mukhopadhyay	1	1
Prasad Chavare	1	1

#### CSR Policy

The CSR Policy is available on the website of the Company at <https://fosecoindia.com/Policies.aspx>.



#### 4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

##### Terms of Reference

The Committee focuses primarily on monitoring and ensuring that the shareholder and investor services operate in an efficient manner and that all Stakeholders grievances / complaints are addressed promptly with the result that all issues are resolved rapidly and efficiently.

The Committee reviews:

- the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- the measures taken for effective exercise of voting rights by the shareholders;

iii. the adherence to service standards adopted by the Company in respect of various services rendered by the Registrar and Share Transfer Agent;

iv. the measures and initiatives taken to reduce the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants, annual report and statutory notices by the shareholders of the Company.

##### Composition

As on December 31, 2022, the Committee comprised of four Members, three of whom are Independent Directors – Mr. Ravi Moti Kirpalani as the Chairperson, Mr. Amitabha Mukhopadhyay and Ms. Anita Belani. Mr. Prasad Chavare, MD is the other Member. The Controller of Accounts and Company Secretary acts as a Secretary to the Committee.

##### Stakeholders' Relationship Committee Meetings and Attendance of Directors

A total of four Committee Meetings were held during the year 2022 on the following dates: February 10, 2022, May 12, 2022, July 29, 2022 and November 09 2022. During the year, one meeting was held in physical mode and the other meetings were held virtually in audio-visual mode. The attendance of the Directors at these Meetings were as follows:

Name of the Director	Number of meetings held during the respective tenure of the director during the year	Number of meetings Attended
Ravi Moti Kirpalani	4	4
Anita Belani	4	4
Amitabha Mukhopadhyay	4	4
Prasad Chavare	4	4

##### Compliance Officer

Mr. Mahendra Kumar Dutia, Company Secretary and Controller of Accounts is the Compliance Officer.

##### Analysis of Complaints – Received and Resolved during the year ended December 31, 2022

Nature of Complaints	Opening Balance	Complaints Received During the Year	Received from Share Transfer Agents or Direct	Received from SEBI /BSE / NSE	Closing Balance
Non-receipt of dividend	Nil	4	Nil	4	Nil
Non-receipt of Share Certificate	Nil	6	Nil	6	1
Non-receipt of Annual Report	Nil	1	Nil	1	Nil
Others	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>11</b>	<b>Nil</b>	<b>11</b>	<b>1</b>

All complaints except one had been resolved during the year. The pending complaint has been carried forward to the next year.

#### 5. RISK MANAGEMENT COMMITTEE

##### Terms of Reference

The Committee recognizes that risk management is a vital driver of effective Corporate Governance, and views it as a constant process. The Company is devoted to confirming the adequacy of its risk management systems and that risks and opportunities are adequately and appropriately addressed on time. The Committee has adopted the Enterprise Risk Management Policy. Among other requirements, the Committee has:

- Formulated the risk management framework and policy;

- Developed a framework for identification and assessment of internal and external risks faced by the organisation, including financial, operational, sectoral, sustainability (particularly Health, Safety & Environment (HSE) related risks), information, cybersecurity risks and any other risk determined by the Risk Management Committee (RMC);
- Identified measures for arriving at appropriate risk responses, including systems/processes for internal control of identified risks;
- Integrated the risk management framework with the business continuity plan (BCP) and crisis management;

A BCP is a set of contingencies to minimize potential harm to businesses during adverse scenarios. The BCP is a subset of risk management and it enhances value creation objectives and protection objectives of the organization.

**Objectives**

The primary objective of the RMC is to ensure that the risks facing the business are appropriately managed by:

- Protecting stakeholder’s value by minimizing the threat and maximizing the opportunities;
- Minimizing the adverse consequence of risks on business objectives and provide a direction for risk management by bringing together the policy and guidance from the Board of Directors, Audit Committee, Risk Management Committee and all other stakeholders;
- Ensuring the risk responses for assessed risks are in line with the organizational risk appetite and tied in with the business continuity plans, disaster recovery plans and crisis management processes wherever applicable;
- Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- Monitoring and overseeing the implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Periodically reviewing the risk management policy, including by considering the changing industry dynamics and evolving complexity;
- Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

**Composition**

In order that the Committee receives expertise of the Board Members in discharging their responsibilities effectively, it was decided that the Committee be constituted with all members of the Board. Accordingly, the Committee comprised of six Members, three of whom are Independent Directors – Mr. Amitabha Mukhopadhyay as the Chairperson with Mr. Ravi Moti Kirpalani, Ms. Anita Belani, as the other Independent Directors. Mr. Guy Young, Ms. Karena Cancilleri and Mr. Prasad Chavare are the other Members. The Controller of Accounts and Company Secretary acts as a Secretary to the Committee.

**Risk Management Committee Meetings and Attendance of Directors**

During the year 2022, two Committee Meetings were held on the following dates: May 12, 2022 and November 09, 2022. The intervening gap between two consecutive meetings was within the period of 180 days mandated by the SEBI Listing Regulations. Both the meetings were held virtually in audio-visual mode. The attendance of the Directors at these Meetings were as follows:

Name of the Director	Number of meetings held during the respective tenure of the director during the year	Number of meetings Attended
Amitabha Mukhopadhyay	2	2
Ravi Moti Kirpalani	2	2
Anita Belani	2	2
Guy Young	2	1
Karena Cancilleri	2	2
Prasad Chavare	2	2

**Compliance Officer**

Mr. Mahendra Kumar Dutia, Company Secretary and Controller of Accounts is the Compliance Officer.

**General Body Meetings**

**Location, date and time of the Annual General Meeting held during the last 3 years and Special Resolutions passed thereat:**

Financial Year Ended	Date of the AGM	Time	Location	Special Resolutions Passed
December 2021	31, May 11, 2022	1430 Hrs	Meeting held through Video Conferencing for which the venue was deemed to be the Company’s Registered Office at <b>Gat Nos. 922 &amp; 923, Sanaswadi, Taluka Shirur, Pune – 412 208</b>	1. Appointment of Amitabha Mukhopadhyay as an Independent Director of the Company

Financial Year Ended	Date of the AGM	Time	Location	Special Resolutions Passed
December 31, 2020	June 21, 2021	1430 Hrs	As above	<ol style="list-style-type: none"> <li>1. Payment of remuneration to Whole-time Executive Director;</li> <li>2. Payment of remuneration to the Managing Director and the Chief Executive Officer of the Company;</li> <li>3. Ratification of the excess managerial remuneration paid / payable to the former Managing Director; and</li> <li>4. Service of documents on the Members of the Company as sought by them;</li> </ol>
December 31, 2019	September 10, 2020	1430 Hrs	As above	<ol style="list-style-type: none"> <li>1. Payment of Commission to Independent Directors of the Company</li> </ol>

### Special Resolution passed through Postal Ballot

During the financial year ended December 31, 2022, no resolutions were put through by postal ballot.

### Special Resolution proposed to be conducted through Postal Ballot and procedure therefor

No Resolution is proposed to be passed at the forthcoming Annual General Meeting of the Company to be held in May 2023, that is required to be conducted through postal ballot. Hence the procedure of postal ballot is not laid down.

### Extra-Ordinary General Meeting

No Extra-Ordinary General Meeting of the Members was held during the financial year ended December 31, 2022.

### Means of Communication

The Quarterly, Half-Yearly and Annual Financial Results are regularly submitted to the Stock Exchanges in accordance with the Regulation laid down therefor and are generally published in the Business Standard (in English Language – All India Editions) and Loksatta (in Marathi Language – Pune Edition). The results are posted on the Company's website [www.fosecointia.com](http://www.fosecointia.com), after its submission to the Stock Exchanges. These are available in a freely downloadable format.

The Annual Report, Quarterly, Half-Yearly and Annual Financial Results, Shareholding Pattern, Intimation of the

### Financial Calendar (Tentative and subject to change)

Financial Reporting 2023	From	To	Probable Date(s)
1 <sup>st</sup> Quarter	January	March	1 <sup>st</sup> week of May 2023
2 <sup>nd</sup> Quarter	April	June	Last week of July 2023
3 <sup>rd</sup> Quarter	July	September	Last week of October 2023
4 <sup>th</sup> Quarter	October	December	2 <sup>nd</sup> week of February 2024
Annual General Meeting for the financial year ending on December 31, 2023			May 2024

**Company Identification Number (CIN):** CIN of the Company is **L24294PN1958PLC011052**.

Board Meetings and other statutory filings with the Stock Exchanges are posted through the filing system of the BSE Limited and NSE Electronic Application Processing System (NEAPS) portals.

All price sensitive information and matters which are material and relevant to the Shareholders are intimated to the BSE Limited and the National Stock Exchange of India Limited, where the securities of the Company are listed.

During the year under review, the Company has neither displayed nor released any official news to anybody or have made presentation to any institutional investors or to any analysts.

### General Shareholders Information

#### 66<sup>th</sup> Annual General Meeting

The 66<sup>th</sup> Annual General Meeting will be held on Wednesday, May 24, 2023 at 1430 Hours (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), for which the venue of the meeting shall be deemed to be the Registered Office of the Company at Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur, District Pune - 412 208.

#### Financial Year of the Company

Your Company follows the Calendar Year from January 01, to December 31, as its Financial Year.

**Date of Closure of the Register of Members and Share Transfer Books of the Company: From Thursday, May 18, 2023 to Wednesday, May 24, 2023 (both days inclusive)** for determining the entitlement of the Members to the payment of final dividend, if declared at the AGM.

**Dividend Payment Date:** Final dividend, if declared at the AGM, shall be paid/credited on or before **Thursday, June 22, 2023.**

### Stock Exchange Listing

Stock Exchange	Stock Code	Listing Fees Paid Up to	ISIN
BSE Limited	500150	31/03/2023	INE519A01011
National Stock Exchange of India Limited	FOSECOIND	31/03/2023	INE519A01011

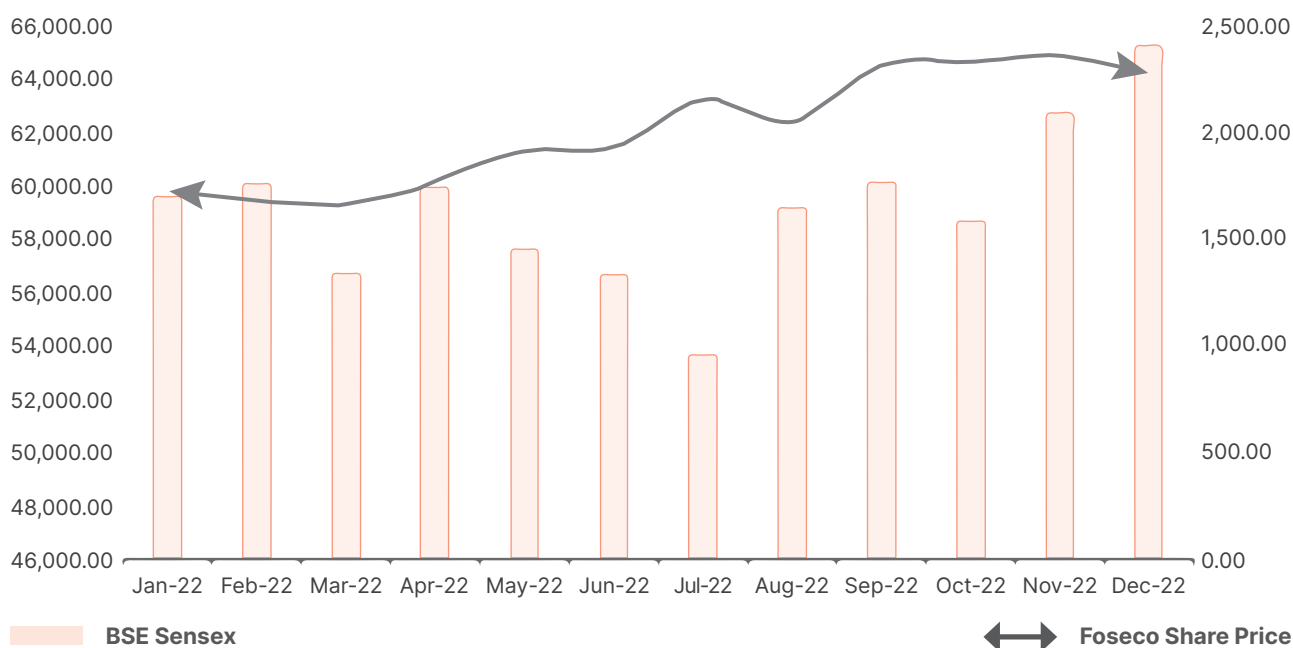
### Share Price

The Company's high and low prices recorded on the BSE Limited and the National Stock Exchange of India Limited during the year ended December 31, 2022 were:

Month	BSE Sensex High	BSE Sensex Low	BSE		NSE	
			Foseco Share Price BSE High (₹)	Foseco Share Price BSE Low (₹)	Foseco Share Price NSE High (₹)	Foseco Share Price NSE Low (₹)
Jan-22	58,310.09	61,475.15	1,561.00	1,365.00	1,569.00	1,371.00
Feb-22	58,672.86	59,618.51	1,516.95	1,245.40	1,520.55	1,250.90
Mar-22	55,629.30	58,890.92	1,499.90	1,261.00	1,476.00	1,251.05
Apr-22	58,530.73	60,845.10	1,591.00	1,402.80	1,593.00	1,385.10
May-22	56,429.45	57,184.21	1,722.95	1,283.00	1,740.00	1,272.20
Jun-22	55,588.27	56,432.65	1,737.20	1,405.00	1,750.00	1,400.10
Jul-22	52,863.34	57,619.27	1,940.00	1,533.60	1,899.90	1,541.30
Aug-22	57,823.10	60,411.20	1,849.00	1,726.95	1,855.45	1,681.30
Sep-22	58,710.53	60,676.12	2,085.00	1,771.00	2,080.00	1,780.00
Oct-22	57,403.92	60,786.70	2,100.00	1,856.50	2,107.95	1,865.80
Nov-22	61,065.58	63,303.01	2,125.00	1,883.40	2,135.00	1,875.10
Dec-22	63,357.99	63,583.07	2,050.30	1,819.15	2,061.85	1,812.10

(Source: Compiled from the data available from the BSE and NSE websites)

Foseco Share Price on BSE 2022



The Company has not received any intimation from either the BSE Limited or the National Stock Exchange of India Limited during the year ended December 31, 2022, informing of suspension of trading in the Equity Shares of the Company on the Stock Exchanges for any period.

**Registrar & Share Transfer Agents (RTA):** The RTA of the Company is **Link Intime India Private Limited**, Akshay Complex, Block 202, 2<sup>nd</sup> floor, Off Dhole Patil Road, Near Ganesh Mandir, Pune-411001.

Telephone Nos: +91 (020) 26160084, 26161629.

Email: [ashok.gupta@linkintime.co.in](mailto:ashok.gupta@linkintime.co.in); [umesh.sharma@linkintime.co.in](mailto:umesh.sharma@linkintime.co.in); [pune@linkintime.co.in](mailto:pune@linkintime.co.in).

Website: [www.linkintime.co.in](http://www.linkintime.co.in).

### Share Transfer System

The transfer of shares in physical mode has been discontinued. Only transmission of shares are effected on receiving any request from the shareholders. In order to expedite the process of transfer of securities, the Stakeholders' Relationship Committee of the Board has delegated the powers severally to all its Committee Members, the Company Secretary and the Registrar & Share Transfer Agents. All routine transmissions of shares are processed within a period of 15 days from the date of receipt of transfer documents provided the

### Shareholding Distribution

The distribution of shareholding as of December 31, 2022 is tabulated below:

Nominal Value of Shares	Number of shareholders	% of the total shareholders	Total Value of Shares	% of the total Shares Value
Up to 5,000	11,170	98.28	50,53,110	7.91
5,001 to 10,000	99	0.87	7,40,030	1.16
10,001 to 20,000	51	0.45	7,31,070	1.14
20,001 to 30,000	22	0.19	5,42,570	0.85
30,001 to 1,00,000	16	0.14	7,85,370	1.24
1,00,001 and above	8	0.07	560,12,440	87.70
<b>Total</b>	<b>11,366</b>	<b>100.00</b>	<b>638,64,590</b>	<b>100.00</b>

The nature of shareholding is summarised below:

Category	Total Number of Shares	% of Total Number of Shares
Foreign Promoters	47,88,845	74.98
Foreign Companies	7,33,226	11.48
NRIs /FIIs/FPIs	32,656	0.52
IEPF Account	28,196	0.44
Banks, NBFCs, FIs, and Mutual Funds	200	0.00
Bodies Corporate incld LLPs	59,953	0.94
Trusts, HUFs, Clearing Members	33,355	0.52
Indian Public	7,10,028	11.12
<b>Total</b>	<b>63,86,459</b>	<b>100.00</b>

### Dematerialisation of Shares and Liquidity

Shares of the Company can be held and traded in electronic form. The Company has established

documents are complete in all respect. Requests for dematerialisation of shares are processed within 15 days from the date of receipt if the documents are in order.

As per the amended requirement laid down in Regulation 40(9) of the SEBI Listing Regulations, the Company has obtained yearly certificates from Practicing Company Secretary for due compliance of issuance of share certificates within the stipulated time limit of the date of lodgement for transfer, transmission, sub-division, consolidation etc., and had filed the same with the Stock Exchanges.

As on December 31, 2022 there was one valid request pending on account of issue of duplicate share certificate.

### Reconciliation of Share Capital Audit Report

As required under Regulation 76(1) of SEBI (Depositories and Participants), Regulations, 2018, the Reconciliation of Share Capital on the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Ltd. ("CDSL") and in physical form for the 4 quarters in the financial year ended December 31, 2022 was carried out by a Practicing Company Secretary whose reports were submitted with the Stock Exchanges, within the stipulated time-limit. The reports were also placed at the Meetings of the Board of Directors.

connectivity with both the depositories i.e., NSDL and CDSL. As on December 31, 2022, approximately 99.34% of shares of the Company have been dematerialised.



Shares of the Company are actively traded on the BSE Limited and the National Stock Exchange of India Limited.

**Transfer of Shares in dematerialised form only**

As per SEBI’s notification SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018, securities held in dematerialised form only are eligible for transfer. Accordingly, the requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not processed, unless the securities are held in the dematerialised form with the depositories. The shareholders are requested to dematerialise their physical securities by sending a request to the Company’s Registrar.

**Updating necessary KYC details of registered and/or joint holders holding shares in physical form**

All those shareholders who are yet to update their Income Tax PAN and bank account details with the Company

**Equity Shares lying in the Suspense Account**

In compliance with Para F of Schedule V to the SEBI Listing Regulations, the information relating to the equity shares lying in the suspense account is given hereunder:

Particulars	No. of Shareholders	No. of Shares Outstanding
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	1	100
Number of shareholders who approached the Company for transfer of shares from the suspense account during the year	--	--
Number of shareholders to whom shares were transferred from the suspense account during the year	--	--
Number of shareholders and their outstanding shares transferred to the IEPF Account during the year	--	--
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	1	100

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

**Plant Locations**

The Company has two manufacturing sites. The addresses of its plants are given below:-

**Pune** - Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur, District Pune - 412 208

**Puducherry** - Medium Scale Industrial Area, PIPDIC Industrial Estate, Mettupalayam, Puducherry 605 009

**Address for Correspondence:**

**i) For change of address and bank mandates:**

- In cases of shares held in dematerialised form – Shareholders should contact their respective Depository Participant.
- In cases of shares held in physical form – Shareholders should contact the Company’s RTA – Link Intime India Private Limited.

are requested to do so at the earliest. The shareholders are also advised to intimate any change in address and/or name, submit National Electronic Clearing Service (NECS) or Electronic Clearing Service (ECS) mandates, nominations, e-mail address, contact numbers, etc., if not so done, by writing to the Company’s Registrar & Share Transfer Agents, Link Intime India Pvt. Ltd., at Block 202, 2<sup>nd</sup> Floor, Akshay Complex, Off Dhole Patil Road, Pune - 411 001 (Phone No. 020-2616 1629 / 2616 0084, Email: [ashok.gupta@linkintime.co.in](mailto:ashok.gupta@linkintime.co.in); [umesh.sharma@linkintime.co.in](mailto:umesh.sharma@linkintime.co.in); [pune@linkintime.co.in](mailto:pune@linkintime.co.in)) for providing efficient and better services. Members holding securities in dematerialised form are requested to intimate such changes to their respective depository participants.

**Outstanding GDRs / ADRs / Warrants / Convertible Instruments**

The Company has not issued GDRs or ADRs. There are no outstanding warrants or any convertible instruments.

**ii) For dividends and other complaints:**

- Shareholders should contact the Company’s RTA – Link Intime India Private Limited.

**iii) For any other queries, information and matters relating to investor relations:**

- Shareholders should contact the Compliance Officer of the Company at Foseco India Limited, Gat Nos. 922 & 923, Sanaswadi, Taluka: Shirur, District Pune 412 208, Contact number: +91 (02137) 668126 (Direct), 668100 (Board), +91 (02137) 668160 (Fax), E-mail ID: [investor.grievance@vesuvius.com](mailto:investor.grievance@vesuvius.com).

**Credit Ratings**

The Company has neither issued any debt instruments nor have any fixed deposit programme or any scheme or proposal involving mobilisation of funds, whether in India or abroad. Therefore, it was not required to obtain any credit ratings during the relevant financial year.

## Disclosures

### Related Party Transactions and Policy related thereto

There were no materially significant related party transactions with the Company's Promoters, Directors, Key Managerial Personnel, Management or their relatives, which could have had a potential conflict with the interests of the Company. The Company does not have any subsidiary or associate. Transactions with related parties are entered into by the Company in the normal course of business and are at arm's length. The details of transactions that are held in any quarter are tabled before the Audit Committee in the subsequent quarterly meeting for review and approval. Members may refer to the notes to the accounts for details of related party transactions.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules framed thereunder including the SEBI Listing Regulations. The policy has been placed on the website of the Company at <https://fosecoindia.com/Policies.aspx>.

### Compliance with Regulations

The Company has complied with the requirements of the Regulatory Authorities on Capital Markets. Neither has there been any 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 Regulatory Authorities or any Statutory Authority, on any matter related to Capital Markets, during the last three years.

### Whistle-blower Policy / Vigil Mechanism

In line with the best Corporate Governance practices, Foseco India Limited has put in place a system through which the Directors, employees and business associates may report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics without fear of reprisal. The Company has put in place a process by which employees and business associates have direct access to the Audit Committee Chairperson, Managing Director and the Chairperson of the Board.

The Whistle-blower Policy is placed on the notice board of the Company, and its website at <https://fosecoindia.com/Policies.aspx>.

### Dividend Distribution Policy

The dividend distribution policy of the Company includes the parameters as set out in Regulation 43A(2) of the SEBI Listing Regulations. The policy has been placed on the website of the Company at <https://fosecoindia.com/Policies.aspx>.

## Unclaimed Dividends

By virtue of the provision laid down under the Companies Act, 2013, the amount of dividend remaining unpaid / unclaimed for the period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company, shall be required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below are the dates of declaration of dividend and corresponding dates when unpaid / unclaimed dividends are due for transfer to the IEPF:

Year	Date of Declaration	Due Date for Transfer
2015 - Final	26-Apr-2016	01-Jun-2023
2016 - 1 <sup>st</sup> interim	20-Jul-2016	25-Aug-2023
2016 - 2 <sup>nd</sup> interim	20-Oct-2016	25-Nov-2023
2016 - Final	27-Apr-2017	01-Jun-2024
2017 - 1 <sup>st</sup> Interim	27-Jul-2017	31-Aug-2024
2017 - 2 <sup>nd</sup> Interim	11-Nov-2017	16-Dec-2024
2017 - Final	24-Apr-2018	29-May-2025
2018 - 1 <sup>st</sup> Interim	18-Jul-2018	22-Aug-2025
2018 - 2 <sup>nd</sup> Interim	26-Oct-2018	30-Nov-2025
2018 - Final	26-Apr-2019	31-May-2026
2019 - 1 <sup>st</sup> Interim	25-Jul-2019	29-Aug-2026
2019 - 2 <sup>nd</sup> Interim	31-Oct-2019	05-Dec-2026
2020 - 1 <sup>st</sup> Interim	22-Oct-2020	27-Nov-2027
2020 - Final	21-Jun-2021	26-Jul-2028
2021 - Final	11-May-2022	15-Jun-2029

Members whose dividends have remained unclaimed are requested to write to the Company's Registrar and Transfer Agents viz., Link Intime India Private Limited and have them encashed to avoid transfer to IEPF.

### Unclaimed Equity Shares

In compliance with the requirements laid down in Section 124(6) of the Companies Act, 2013 read with the 'Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016', the Company has transferred all equity shares in respect of which dividends had remained unpaid or unclaimed by the shareholders for seven consecutive years or more, to the Demat Account of the IEPF. However, the Shareholders are entitled to claim their shares including all the corporate benefits accruing on such shares, if any, from the IEPF Authority by submitting an online application in Form IEPF-5 and sending a physical copy of the Form IEPF-5 duly signed by all the joint shareholders, if any, as per the specimen signature recorded with the Company along with requisite documents enumerated in the Form IEPF-5, to the Company's RTA. The Rules and Form IEPF-5, as prescribed, for claiming back the shares,

are available on the website of the IEPF [www.iepf.gov.in](http://www.iepf.gov.in). It may please be noted that no claim shall lie against the Company in respect of share(s) transferred to IEPF pursuant to the said Rules. The details of the shareholders whose equity shares had been transferred to the Demat Account of the IEPF is available on the website of the Company at <https://fosecoindia.com/TransferShareToIEPF.aspx>.

#### Payment of Dividend etc.

The Company through its Registrar and Transfer Agents – Link Intime India Private Limited (RTA) uses the electronic mode of payment facility approved by the Reserve Bank of India, i.e., NACH/NEFT/ECS/Direct Remittance etc., for making payment of dividends and other cash benefits to the shareholders. As specified in Schedule I to the SEBI Listing Regulations, the Company's RTA maintains the bank details of the investors as follows –

- (a) For investors holding securities in dematerialised mode, by seeking the same from the depositories,
- (b) For investors holding securities in physical mode, by updating bank details of the investors at their end.

In cases where either the bank details such as MICR, IFSC etc. that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the Member's Bank, the Company's Banker issues 'payable-at-par' warrants or demand draft, as the case may be, for making payment to the members. The RTA mandatorily prints the bank account details of the members on such payment instruments and in cases where the bank details are not available, the address of the member on such payment instructions are printed. Where the amount payable as dividend exceeds ₹ 1500, the 'payable-at-par' warrants are sent by speed post.

Members holding securities in physical form are requested to intimate any change in address, change of name, bank details viz., account number, name of the bank and branch, MICR, IFSC etc., to the Company's RTA for updating these details against their folios. Members holding securities in dematerialised form are requested to intimate such changes to their respective depository participants.

#### Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder. The nomination facility in respect of shares held in electronic form is also available with the depository participants as per the byelaws and business rules applicable to NSDL and CDSL. Nomination forms are available on the website of the Company [www.fosecoindia.com](http://www.fosecoindia.com), which can be used by the Members for the said purpose.

#### CEO / CFO Certificate

The Managing Director / CEO and the CFO have furnished a compliance certificate to the Board of Directors under Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations.

#### Details of Compliance with Mandatory Requirements and adoption of Non-Mandatory Requirements

The Company has complied with the applicable mandatory requirements of the SEBI Listing Regulations.

The Company has adopted following non-mandatory requirements as specified in Part E of Schedule II of the SEBI Listing Regulations.

- A Non-Executive Chairperson is entitled to maintain a chairperson's office at the Company's expenses and also allowed reimbursement of expenses incurred in performance of his/her duties.
- The Chairperson of the Company and the Managing Director / CEO are different persons. They are not related to each other as per the term of relative defined under the Companies Act, 2013.
- The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meetings for reporting their findings of the internal audit to the Audit Committee Members.

#### Policy for determining 'material' subsidiaries

Your Company does not have any subsidiary(ies), therefore no policy has been framed by the Company.

#### Disclosure of commodity price risks and commodity hedging activities

The principal raw materials of the Company are zircon, phenol, innoculants etc. These are procured from the domestic suppliers. Some of the raw materials are procured from the overseas markets as well. In case the raw materials prices undergo upward revision and / or the imported raw materials are exposed to foreign exchange rate fluctuations, the price differences are adequately covered in the selling price of the finished products. The Company does not indulge in any commodity hedging activities.

#### Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Company has in place a Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, one complaint of sexual harassment was received by it from the ICC which was thoroughly investigated by the ICC and closed after discussion with and agreement of the complainant. There were no complaints remaining pending as at the end of the year.

#### **Compliance or otherwise of any requirement of Corporate Governance Report**

The Company has complied with the requirements of the Corporate Governance and has made disclosures to the extent required and applicable to it, as stipulated in the SEBI Listing Regulations. These are the following:-

- Sub-paras 2 to 10 of Para C of Schedule V;
- Regulations 17 to 27; and
- Regulation 46 (2) (b) to (i).

For and on behalf of the Board of Directors

**Ravi Moti Kirpalani**

**Chairperson**

**DIN: 02613688**

Place: Gurgaon

Date: February 27, 2023

#### **Particulars of Loans, Investments, Guarantees and Securities**

Your Company has neither advanced any loans, nor made any investments or given any guarantees and / or provided any securities to anybody, whether directly or indirectly, within the meaning of Section 185 & 186 of the Companies Act 2013. In addition thereto, the Company has not extended any loans and advances in the nature of loans to firms/companies in which directors are interested.

#### **PRACTICING COMPANY SECRETARY'S CORPORATE GOVERNANCE CERTIFICATE**

The Company has obtained a certificate from a practicing Company Secretary confirming compliance of the conditions of Corporate Governance as stipulated in Para E of Schedule V of the SEBI Listing Regulations. The Certificate is annexed to this Report.

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#### **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

As required under Regulation 34(3) read with Para D of Schedule V to the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, I hereby declare that the Company has adopted a Code of Conduct and Ethics for all Board Members and Senior Management of the Company. The Code is available on the Company's website.

I further declare that the Company has in respect of the financial year ended December 31, 2022, received from all the Board Members and Senior Management Personnel of the Company, an affirmation of compliance with the Code, as applicable to them.

**For Foseco India Limited**

**Place: Pune**

**Date: February 27, 2023**

**Prasad Chavare**

**Managing Director & Chief Executive Officer**

## Compliance of Corporate Governance requirements - Certificate

**To:**

**The Members of Foseco India Limited**

Gat No. 922 and 923, Sanaswadi, Tal: Shirur,  
District Pune – 412208  
Maharashtra, India

I have examined the compliance of conditions of corporate governance by Foseco India Limited, for the year ended on December 31, 2022, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of

the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to us, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For RAJESH KARUNAKARAN & CO.,**

**COMPANY SECRETARIES**

**RAJESH KARUNAKARAN**

**COMPANY SECRETARY**

**FCS No. 7441/CP No. 6581**

**UDIN- F007441D003167466**

Peer Review Certificate no. 1260/2021 dated **June 28, 2021**

Pune, February 17, 2023



# Management Discussion And Analysis

## INTRODUCTION

FOSECO is the Foundry Technologies Division of Vesuvius Group plc. engaged in supporting the development of global steel and foundry manufacturing processes with new technologies. It has manufacturing capabilities in all the major steel and foundry markets across the world and is a leader in the supply of consumables and solutions related to the foundry industry. FOSECO, as the name stands, originates from the term **FO**undry **SERVICES** **CO**mpany. Foundry Services was born of an idea that took shape in a small town of Birmingham in England in 1932. One of the most recognised brand names in the world, it has become an integral part of the foundry industry as a supplier of high-quality consumable products to various sectors.

Foseco's primary customers are ferrous and non-ferrous foundries serving various end-markets from large bespoke castings to high-volume automotive pieces. The Company is a world leader in products and services that serve the global foundry industry, improving casting quality and foundry efficiency. It continuously focusses on technical service, market-leading technology supported by above-industry average investment in R&D to provide business-enhancing solutions to its customers. It has manufacturing footprints close to all the main foundry markets in the world. It trains its engineers who are progressively integrated within the

global network of experts. Local manufacturing, local expertise and leveraging global knowledge of the foundry processes positions Foseco in a special relationship with its customers, help them optimise their processes and product performances, it provides its customers, products and expertise to create best solutions and reap full benefits for success.

## FOSECO'S BUSINESS MODEL

Foseco operates a profitable, flexible, cash-generative and growth-building business model centred around strong customer relationships and local presence. It has built the brand equity of its products through reliability, technology and service over many decades. Foseco provides a comprehensive range of foundry technologies, equipment and consumable supplies backed by world-leading foundry processes and product application expertise. Understanding the need of the customers and offering them solutions that are unique puts Foseco on a different footing than its competitors. These are delivered to the customers by an international team of experts, passionate about consistently creating better castings through a partnership model with foundries. The value addition is made through improvements in process capability, casting yields, resource utilisation, efficiency and development of new business opportunities.

## Foseco's Target Customer Segments

Foseco services the needs of the following industrial sectors:



## Foseco's Key Strengths

- **Solutions Offering:** The Company's local and international teams continuously work on developing new toolkits based on detailed knowledge of customers' processes to offer innovative/customised solutions
- **Products Offering:** Full range of high-quality products and services
- **Innovation:** Industry-leading technologies with a focus on continuous innovation
- **Technical Support:** Access to Foseco's extensive application engineering resources
- **Proximity:** Global presence and extensive reach in India

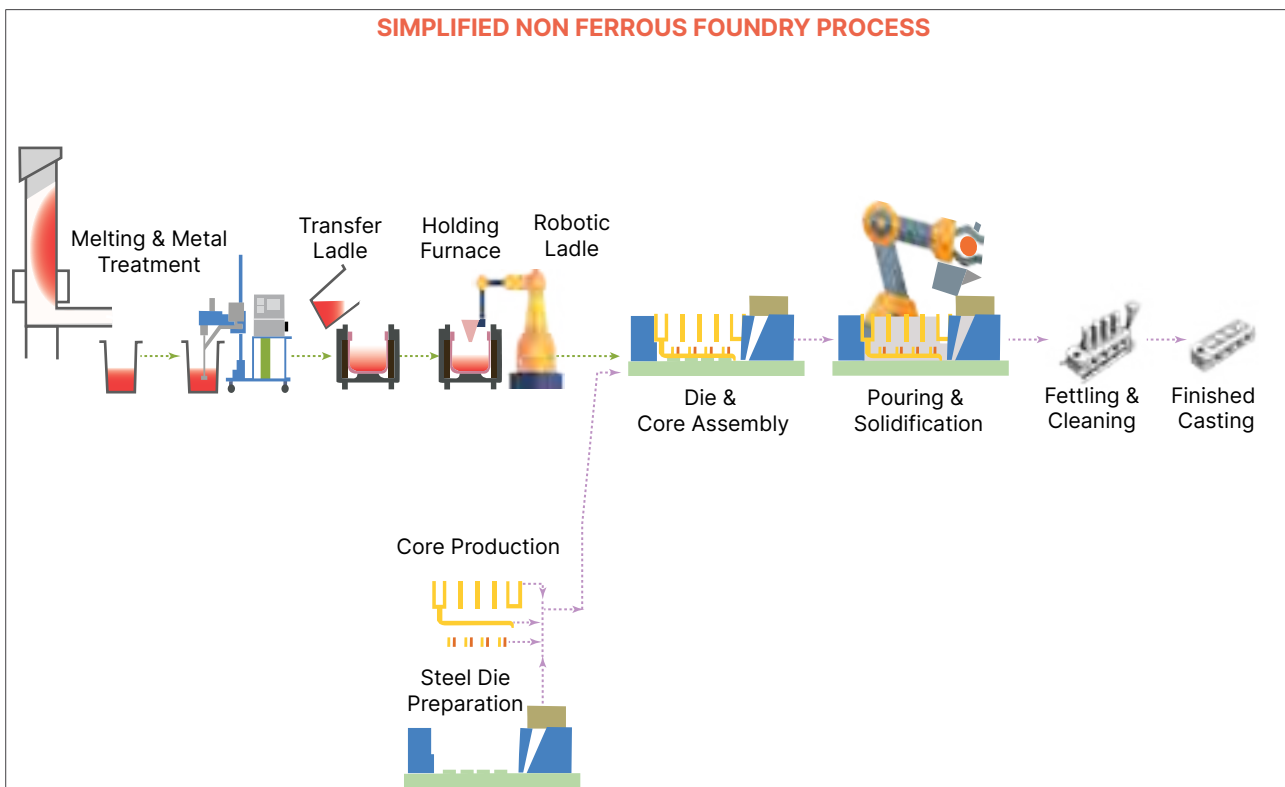
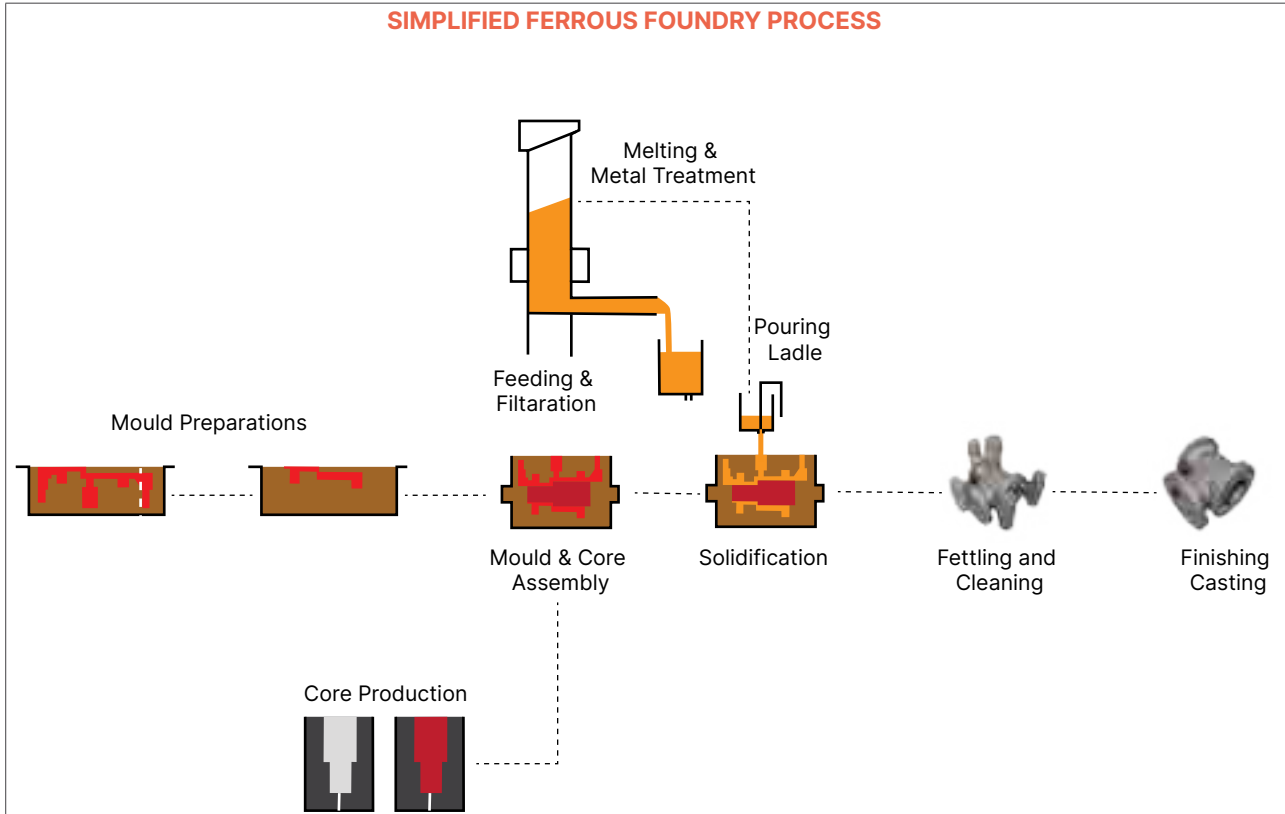
**FOUNDRY PROCESS AND STRATEGY**

**The Foundry Process**

Foundries have a huge role to play in the industrial development of India. A foundry is a factory where castings are produced by melting the metal, pouring the liquid in a mould and allowing it to cool and solidify into

the desired shape. Foundries produce metal products for railroads, engine, tractor, mining, earth moving machinery, pipe components, natural gas industries and machines used to make essential everyday consumer products.

Foseco is a leading supplier of consumable products, solutions and associated services in various areas of the foundry process, as explained in the diagram below:









**Casting Quality as a Driver for Demand**

Foseco products typically represent less than 5% of a foundry’s production cost. However, it contributes significantly in improving product quality and manufacturing efficiency, whilst reducing the environmental impact of the casting process and improving the ratio of finished castings to the amount of metal poured — a key parameter of foundry efficiency. As castings become increasingly complicated (driven in the case of automotive casting by the need for lightness), they demand cleaner metal, better flow into the mould and more consistent solidification. This supports the computer modelling, flow simulation and casting methoding capabilities that are central to the services provided by Foseco.

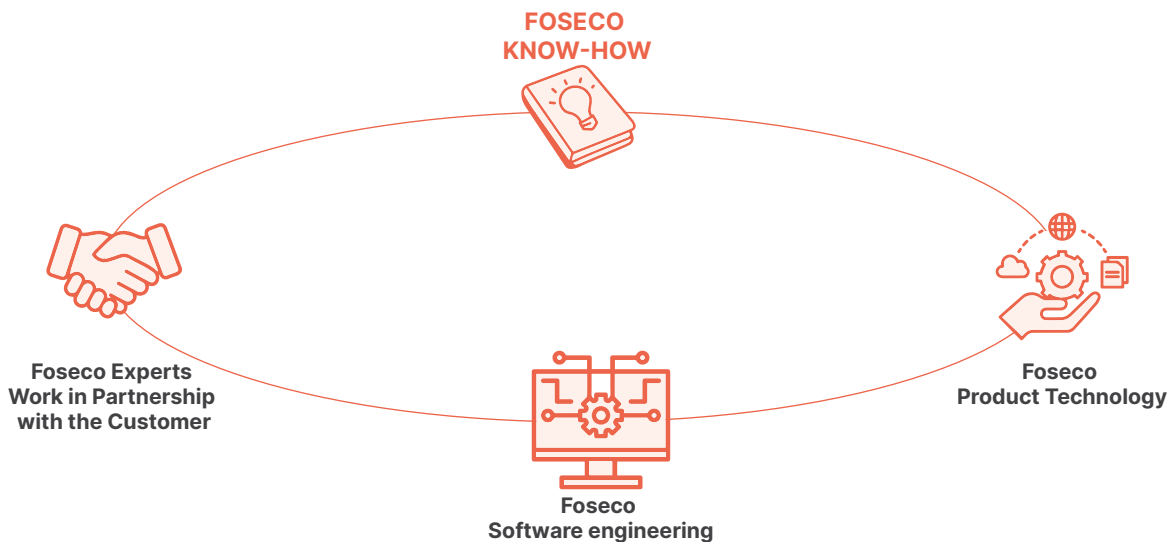
**Business Strategy**

Foseco follows the strategy of ‘Solution Partnering’ that is founded on five core areas of strength viz., Product Technology, Application Expertise, Process Knowledge, Process Control and Customer Relationships. The solutions offered help the customers improve their business performance wherever possible and reduce environmental impact using environmentally friendly products that conserve natural resources. It continually works to improve its solution offerings to deliver the greatest value to its customers.

**Product Technology:** Foseco is the only supplier that offers products and services across the entire foundry process in both ferrous and non-ferrous areas. This global proprietary consumable product technology consists of:

-  Coatings
-  Metal Filtration
-  Feeding Systems
-  Flow Control
-  Metal treatment
-  Binders

**Application Expertise:** Foseco team maintains an in-depth knowledge of customers’ operations and the application of its products across a wide range of foundry processes.



**Process Knowledge:** Foseco’s engineers possess an in-depth understanding of customers’ processes for manufacturing casting from melting to post cast treatment.

**Process Control:** Foseco’s range of sophisticated and state-of-the-art process control equipments helps ensure process management, measurement,

consistency, improved productivity and reliability of cast components.

**Customer Relationships:** A conviction that customer partnerships, where expertise and knowledge are shared, result in the greatest performance improvements for its customers, is the cornerstone of Foseco’s strategy.



The Company's various offerings of metal types are:

**Iron**

Iron casting is split between grey and ductile iron with grey iron representing the majority of metal being cast. This is a cost-efficient and robust process to produce components that do not need to tolerate extreme mechanical stress. All iron casting requires filters and coatings but grey iron is not as reliant on feeding system utilisation due to its lower shrinkage on solidification. Conversely, ductile iron production requires more sophisticated products to cope with the high shrinkages of metal while solidifying.

**Steel**

Steel is used in castings for manufacturing components with very high mechanical performance. Steel castings is the most demanding casting process due to higher melting temperatures and greater tendency for shrinkage, thus the greater demand for products, viz. high-performance feeders, high-temperature resistant filters and robust coatings and technical expertise in this segment.

**Aluminium/Non Ferrous**

Aluminium casting is the fastest-growing segment of the foundry market. It has captured a significant share of the light vehicles market. Being molten below 700°C, aluminium can be cast in iron moulds which can be reused. Foseco concentrates on supplying fluxes, filters and machines that refine the composition and cleanliness of the metal.

**ECONOMIC AND INDUSTRIAL HIGHLIGHTS**

**The Global Economy**

The year 2022 began with the world economy placed in a fundamentally good form. Global GDP growth in 2021 was 6.1%, a solid rebound from the pandemic-induced contraction of 3.1% in 2020. In January 2022, despite concerns about the new Omicron variant of COVID-19, the manufacturing sector had expanded and trade levels

had once again reached an all-time high. In February, Russia invaded Ukraine, resulting in a spike in the prices of gold, crude oil and natural gas. Energy markets took center stage. Inflation in many countries hit levels not seen since the 1980s. Prices of food grains and essential items have risen manifold in many countries on account of the energy crisis and a tightened monetary policy.

Looking back, 2022 was yet another year of upheaval — one of many recently. We have been living in volatile, uncertain, complex and ambiguous times. 2022 was no exception. We are also living in a world that is more connected, and therefore need to constantly evaluate the emerging opportunities and threats in these volatile times.

**Indian Economy – Opportunities and Threats**

The Indian economy has been remarkably resilient in the face of the deteriorating global situation. This is a reflection of the strengthening macroeconomic stability. There were headwinds throughout the year that impacted India's path to economic recovery. The year began with the threat of the Omicron variant of the coronavirus. Fortunately, the threat subsided fairly quickly, without impacting the economy in any significant way. The only problem was that this headwind was replaced by Russia's invasion of Ukraine in mid-February, leading to further disruptions in the global supply chain. The next development to impact the economy was the decision of several major central banks, especially the US Federal Reserve, to reverse their loose monetary policy stance. The ripple effect of the policy-tightening measures was felt worldwide. The RBI wasn't too far behind in tightening its stance either, with the first interest rate hike being announced in May.

Sectoral analysis reveals that growth was driven by pent-up demand from the services sector, enhanced agriculture exports and robust construction activity aided by increased infrastructure investment. Private consumption remained high and so was the investment rate, hinting at the beginnings of an investment cycle. There is cautious

optimism as the slowdown in global economic activity is not mirrored in India's performance of various high-frequency indicators.

As we head into 2023, the uncertainty in global economic developments requires continued monitoring of the global demand and the cost situation. Every crisis is an opportunity. The resilient nature of the Indian economy so far could be capitalised on to increase its share in global trade. As the value chains will continuously evolve during these volatile and uncertain times, India can capture some of the global demand. The good news is that much hard work has been done in the last several years and a strong platform has been erected on which the superstructure of a stronger economy can be constructed.

### Foundry Market Insights

India is the second-largest casting producer in the world, behind China. The Indian foundry industry manufactures metal cast components for applications in Automotive, Tractor, Railways, Machine Tools, Pipes, Defence, Aerospace, Construction, Mining, Textile, Cement, Electrical, Power Machinery, Pumps/Valves, Wind Turbine Generators, etc. The foundry industry had been facing tough challenges for the past few years. First, there was an unprecedented slowdown in 2019 followed by the pandemic in 2020 and the profitability pressures in 2021. Despite these challenges, the prospects of the Indian foundry industry look positive in the coming years. The automotive demand, especially passenger car demand has started increasing with the growing aspirations and income levels of the middle class. The two-wheeler demand is still subdued due to the impact of Covid-19 on household incomes, rising vehicle costs and high fuel costs. In 2022, tractor production declined over a high base of 2021 though it started picking up in the last quarter of 2022. Commercial vehicle sales grew in 2022 over 2021, on the back of demand from the e-commerce sector and government spending on infrastructure development projects. The government is expected to continue increasing its investment in improving the railways and building other essential infrastructure, creating an increased demand for construction, mining and general engineering goods. The Machine Tools segment is also expected to grow with the growth in the Automotive segment and the launch of new models.

Some of the challenges faced by the industry may continue for some more time. The export demand has started going down. The raw material cost for foundries has risen fast, but these could not be recovered from the original equipment manufacturers (OEMs), thus putting pressure on profitability. The foundries need to invest in new technologies to meet the tightening environmental regulations and to develop export markets. The drive towards Electric Vehicles (EVs) will change the kind of castings to be produced. The speed at which the transition will happen remains to be seen.

### Key Growth Drivers of the Market

The Indian economy, particularly the foundry sector, is expanding due to the rise in domestic demand. The automotive demand is expected to grow even though there could be affordability pressures at the lower end of cars and two-wheelers. The increase in economic activities and construction will help grow the demand for medium and heavy commercial vehicles and off-road vehicles. The increased government spending on Railways is driving the growth in foundries catering to the segment. The need for electricity and particularly clean energy will continue to drive growth for power and windmills. Tightening environmental regulations and OEM specifications are the other key factors for the foundries to upgrade their technologies and processes. Many foundries are also looking at capturing the export markets and being a China plus one alternate, for which they need to enhance their processes. Foseco remains committed to being a leader in technology development and innovation, positioning itself as a preferred solution provider for the foundries.

### FOSECO'S PERFORMANCE HIGHLIGHTS

2022 has been a growth year where the Company has grown the topline while improving profitability and maintaining the total trade working capital. Domestic demand was the key driver for growth. The raw material costs continued to remain high and rise in a few cases. Foseco demonstrated its ability to help its customers navigate through rising costs through cost-reduction solutions and fit-for-purpose new product introductions. The value thus created helped the Company to recover our cost increases from the market. A disciplined approach towards collections and inventory resulted in reducing the trade receivables days and inventory days.

Foseco maintained its technology leadership position and introduced several new products for the ferrous and non-ferrous foundries. As part of its commitment towards sustainability, new product development is being prioritised towards products that bring in the sustainability benefit. The environmental norms and the OEM specifications are getting tighter. The Company continued to take the lead and offer solutions that help its customers meet those norms. Foseco's products and solutions help its customers reduce their costs, improve productivity, and in many cases, grow sales. The Company continued to expand its coverage and become accessible to more foundries by strengthening its distribution channel. As the Company expands its coverage to smaller foundries, it is also introducing products and solutions that meet the specific needs of smaller foundries.

To serve its growing customer base better, Foseco is strengthening its team, processes and capabilities. The Company has hired more people, improved its processes and stepped up its training and global



connect. Foseco is optimistic about the future prospects and believe that these investments will fuel its growth aspirations.

The Company's priority in 2023 remains to drive profitable growth and further strengthen its market position in the foundry industry, in all divisions and in every region. While doing so, it will maintain its focus on profitability and on working capital performance. At the same time, the commitment towards the safety of

its people and the best-in-class quality of the products will remain unwavering.

Foseco's continued success will rest on its highly-engaged and talented people, aligned around a common purpose and objectives. With the ever-improving quality of innovative products and solutions offering, the strength of its optimized manufacturing cost base, and above all, the strong support and commitment of its people, the Company is confident of meeting its goals successfully.

## Financial Performance

Table 1: Abridged Profit and Loss Account (₹ in lakh)

Particulars	2022	2021
Total Revenue from Operations	40,673	33,801
Operating Expenses	(33,650)	(28,881)
EBITDA	7,023	4,920
Depreciation and Amortisation Expenses	(890)	(588)
PBIT	6,133	4,332
Finance Charges	--	--
Profit Before Tax (PBT)	6,133	4,332
Tax Expenses	(1,536)	(1,065)
Profit After Tax (PAT)	4,597	3,267

During the year under review, the Company witnessed a rise in sales revenue by 20.3%. Sales was strong largely due to rise in prices of premium products coupled with prudent credit evaluation of targeted customers. Meeting customers and offering solutions in optimal use of raw material in their manufacturing

process and technology was also an important element of the Company's strategy. All these measures resulted in the Profit After Tax (PAT) rising by 40.7%. The Company generated ₹ 5,871 lakh net cash from its operating activities in 2022 as against ₹ 1,982 lakh in 2021.

Table 2: Key Financial Ratios

Particulars	2022	2021
PBIT / Total Revenue	15.08%	12.82%
PAT / Total Revenue	11.30%	9.67%
ROCE	26%	21%
RONW	19.23%	15.66%
Debt Equity Ratio	--	--
Current Ratio	2.94	2.99
Interest Coverage Ratio	--	--
Debtors Turnover	4.80	4.56
Inventory Turnover	10.75	10.94
Operating Profit Margin	16.91%	14.32%
Net Profit Margin	11.07%	9.51%

## Disclosure of Accounting Treatment – Adoption of Indian Accounting Standards (Ind-AS)

The Company has followed the Indian Accounting Standards (Ind-AS) for drawing-up its accounts as prescribed by the Institute of Chartered Accountants of India, in the preparation of financial statements. There are no audit qualifications in the Company's financial statements for the year under review.

## Health, Safety, Environment & Sustainability

Foseco strives to achieve the highest standards of HSE practices, having adopted an Integrated (Quality,

Health, Safety and Environment) Management System (IMS) accredited to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. The Company has well established HSE standards and monitoring process for each of its operations. Every employee is required to conduct safety audits and suggest safety improvement opportunities. These improvement opportunities are reviewed by HSE team members and wherever feasible these are implemented in the safety culture journey. It also runs continuous improvement programs for employee's health and environment. To increase HSE awareness amongst employees, Foseco regularly conducts

internal competition and participates in competitions organised by trade bodies. The company has launched sustainability drive with the defined targets to reduce its environmental footprint in terms of CO<sub>2</sub> and waste water. The Company has invested in own generation of green energy source by solar power project in pune with the capacity of 565 kWp. The Company has implemented specific measures to reduce its CO<sub>2</sub> emissions, in terms of energy efficiency, neutralisation of secondary energy with green energy contracts.

### Quality

Foseco is acknowledged in the market for its consistent product quality and technical expertise. The consistent quality products adds value to the customer processes. The Company is committed to supporting customers with reliable products, which it strives to deliver through best-in-class quality management in its production sites. Its quality systems define the commitments and responsibilities which apply to all aspects of the business. To demonstrate this, Foseco has an established process to address customer complaints which ensures participation from cross-functional expertise and is thus committed to ensuring customer satisfaction. The problem-solving methodology 8D PPS (Practical Problem Solving) enhances the problem-solving capability of team members which is recognized in the form of Regional contests and Awards.

### Operations

Foseco has state-of-the-art manufacturing facilities in Pune and Puducherry. It also imports products from its group manufacturing locations in other parts of the world. Foseco operates in a cellular manufacturing structure. Each cell is “a factory within a factory” and has end-to-end responsibility for the entire supply chain process — from purchase to the manufacturing process to despatch. This workflow ensures that the entire cell team is responsible for safety, quality, production, cost and product delivery. Foseco is progressively using operational excellence tools to standardise its processes and activities and ensure efficient systems to delight customers. With the Lean philosophy, Foseco is becoming more flexible to take on new challenges in customer satisfaction. These initiatives are very well backed by innovative engineering practices and solutions. Foseco India has constantly carried out improvement initiatives to maintain and upgrade its manufacturing facilities through revenue expense and capex.

### Human Resources

The Human Resources function is continually committed and focused towards defining and delivering people strategy to meet the growth of talent and organisation. Focused approach towards attracting, assimilating CORE Values and continuously investing in them, have helped us impeccably in passing the difficult transition time of change management for hybrid work orientation, business outlook and many other aspects.

The year 2022 was majorly focused on attracting and onboarding right and strategic talent crucial for the business performance, developing the culture of engagement, appreciation, and growth. The function has been instrumental in delivering business growth by hiring critical talent in mid-level leadership, front sales ferrous and non-ferrous group and support transition roles. The structured onboarding and people development programs such as technical capability assessment and development for sales, workmen development and Leadership development has facilitated and led organization in upskilling and reskilling overall talent and developing next generation leaders. HR also ensured that clear changes are made to recruitment and capability – building process determining the characteristic of ‘purpose-driven’ employee and embedding these attributes with recruitment, development, career and succession planning. The HR team played a crucial role in forming employee experience by working together with the people to create personalized, authentic and motivating experiences that tap into purpose to strengthen individual, team and company performance.

Furthermore, ‘**Every Opinion Counts**’ is the philosophy that the Company has continued to lead in the year through its employee engagement survey — ***I engage***. The constant dialogue with internal stakeholders, structured townhall communication, and ‘You Said, We Did’ communications have increased the trust in the survey resulting in high employee participation level. The HR team facilitated ensuring the engagement drivers are addressed based on the feedback received. The survey has received positive feedback on strength and development aspects which will be brainstormed to make each day even better.

Furthermore, the Company has placed great emphasis on the health and well-being of its employees. One of the key initiatives it has implemented is an annual health check-up programme, accompanied by monthly sessions led by health experts. This programme will continue in the upcoming year.

The Reward and Recognition initiatives of Foundry Excellence and Plant Performance Awards for exceptional performances have further reinforced the appreciation and engagement culture and helped in creating a mindset of performance-oriented organisation.

With all factors stated above, Foseco certainly expects to go the extra mile for its business activities and employee relations in its journey of growth. The Company continuously endeavours to play a central role in building organizational resilience and driving value by connecting talent to business strategy.

### Corporate Social Responsibility Initiatives

During the year, the Company undertook its CSR initiatives in the areas of education, healthcare, social causes, environment and information technology. The Company’s

CSR activities focus on the disadvantaged, vulnerable and marginalised segments of society.

The Company's collaborative partnerships with communities are manifested in its CSR-based programmes. CSR projects are undertaken by partnering with renowned Non-Governmental Organisation (NGOs). The initiatives taken during the year were focused on rehabilitation of people affected by the COVID-19 pandemic, education, technology, skill building programmes and improving the overall quality of lives of people residing in the vicinity of the Company's plants. These initiatives augment the natural resource base and create sustainable rural livelihoods.

The Company continued its association with Jehangir Hospital for detecting juvenile diabetes in young boys and girls and supporting their families by distributing medicine and diabetic kits for the treatment of diabetes. The Company is sensitive towards environmental and social requirements. It had supplied biomass cookstoves under the banner of "Happy Family Kit" to deserving and needy families in the slum, rural, and semi-urban communities. This project proved to be a big success providing the Company the encouragement to continue with this initiative even further. The Company has now been involved with this project for three consecutive years. This unique cookstove is environmentally friendly as it emanates less smoke in comparison with traditional cookstoves that adversely affect the health of the women cooking food for their families. These cookstoves had found favour with these communities as it is convenient to use. Due to its relevance to the community, it has created huge, favourable and visible impact in the lives of the beneficiary community. Print and digital media had given wide coverage to this noble cause.

In the area of education, the Company has built infrastructure in a residential school near the Company's plant. The school provides free education and boarding at its premises to children of migrant workers and labourers residing nearby. During the year under review, the Company provided bunk beds to the school with the aim of providing recreation to the residential students, and hence, motivate children from nearby areas to take admission in the school.

For and on behalf of the Board of Directors

**Ravi Moti Kirpalani**

**Chairperson**

**DIN: 02613688**

Place: Gurgaon

Date: February 27, 2023

In the financial year ended December 31, 2022, numerous ambitious projects were completed, which the Company was committed to delivering. The Company will keep working on social projects that fall within the scope of its CSR Policy, which will provide significant assistance to society in the long run.

### **Information Technology**

Foseco's IT systems are very robust and are running seamlessly to lend support to people working from anywhere. The IT processes of the Company are accredited to ISO 9001:2015.

### **Internal Control Systems and Their Adequacy**

Foseco adopts a rigorous system of Internal Control and Risk Management to ensure all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded, and reported quickly. In addition, the Company has a well-structured system of risk assessment and risk reporting.

The Company's internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. The internal controls are designed to ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets. During the year, due care has been exercised by the Company with respect to all the requirements of the Company Law and Listing Regulations.

### **Cautionary Statement**

*Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results might differ materially from those expressed or implied. Important developments that could affect the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations, tax laws, and other factors such as litigation and industrial relations.*

# Business Responsibility and Sustainability Reporting

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity-

1	Corporate Identity Number (CIN) of the Listed Entity	L24294PN1958PLC011052
2	Name of the Listed Entity	FOSECO INDIA LIMITED
3	Year of incorporation	1958
4	Registered office address	Foseco India Limited, Gat Nos. 922 and 923, Sanaswadi, Shirur Taluka, District Pune- 412208, Maharashtra, India
5	Corporate address	Foseco India Limited, Gat Nos. 922 and 923, Sanaswadi, Shirur Taluka, District Pune- 412208, Maharashtra, India
6	E-mail	<a href="mailto:investor.grievance@vesuvius.com">investor.grievance@vesuvius.com</a>
7	Telephone	02137 – 668100
8	Website	<a href="http://www.fosecoindia.com">www.fosecoindia.com</a>
9	Financial year for which reporting is being done	Financial Year (January 01, 2022 to December 31, 2022)
10	Name of the Stock Exchange(s) where shares are Listed	1. BSE Limited 2. National Stock Exchange of India Limited (NSE)
11	Paid-up Capital	₹ 638.65 lakh
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Mahendra Kumar Dutia, LL: 02137-668100, <a href="mailto:investor.grievance@vesuvius.com">investor.grievance@vesuvius.com</a>
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis	The disclosures under this report are made on standalone basis.

### II. Products/services

#### 14 Details of Business/Activities (accounting for 90% of the turnover)

SN	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical products	100%

#### 15 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

SN	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacturer of Foundry Chemicals & Fluxes	202	100%

### III. Operations

#### 16 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	-	2
International	-	-	-

17 Markets served by the entity:

A. Number of locations

Locations	Number
National (No. of States)	21
International (No. of Countries)	8

B. What is the contribution of exports as a percentage of the total turnover of the entity?

6.36%

C. A brief on types of customers

Foseco India Limited is a leader in the industry and primarily caters to the requirements of ferrous and non-ferrous foundries. The foundries in turn supply castings to various segments like Automotive, Tractors, General Engineering, Valves, Power, Railways, etc.

IV. Employees

18 Details as at the end of Financial Year:

A. Employees and workers (including differently abled):

SN	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1	Permanent (D)	135	127	94%	8	6%
2	Other than Permanent (E)	0	0	0%	0	0%
3	<b>Total employees (D + E)</b>	135	127	94%	8	6%
<b>WORKERS</b>						
4	Permanent (F)	90	90	100%	0	0%
5	Other than Permanent (G)	135	135	100%	0	0%
6	<b>Total workers (F + G)</b>	225	225	100%	0	0%

B. Differently abled Employees and workers:

SN	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1	Permanent (D)	0	0	0	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	<b>Total Differently abled employees</b>	0	0	0	0	0
<b>WORKERS</b>						
4	Permanent (F)	0	0	0	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	<b>Total Differently abled workers (F + G)</b>	0	0	0	0	0



**19 Participation/Inclusion/Representation of women**

Particulars	Total	No. and percentage of Females	
	(A)	No. (B)	% (B / A)
Board of Directors	6	2	33%
Key Management Personnel	3	0	0%

**20 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)**

Particulars	FY 2022 (Turnover rate in current FY)			FY 2021 (Turnover rate in previous FY)			FY 2020 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	13%	0%	13%	16%	120%*	18%	14%	100%
Permanent Workers	1%	0%	1%	2%	0%	2%	3%	0%	3%

\* The female employees at year end 2020 and 2021 were 3 and 2 respectively. The female employees separated during year 2021 are 3.

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****21 A. Names of holding / subsidiary / associate companies / joint ventures**

SN	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Foseco Overseas Limited	Holding Company	Foseco Overseas Limited holds 58% of the total paid up share capital of Foseco India Limited.	No

**VI. CSR Details****22 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013:**

Yes, CSR is applicable as per section 135 of Companies Act, 2013

**(ii) Turnover (For the year ended December 31, 2022 (in ₹)):**

₹ 40,674 lakh

**(iii) Net Worth (As on December 31, 2022):**

₹ 23,902 lakh

## VII. Transparency and Disclosures Compliances

### 23 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022			FY 2021		
		Current Financial Year			Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
<b>Communities</b>	HR function handles the grievances of the local communities for redressal.	-	-	-	-	-	-
<b>Shareholders</b>	Complaints are addressed by the shareholders to the Company's (Registrar and Transfer Agent) RTA. If the complaints are not resolved by the RTA within a given time, then the shareholders escalate it to the Company at its dedicated E-Mail ID <a href="mailto:investor.grievance@vesuvius.com">investor.grievance@vesuvius.com</a> for resolution	11	1	-	3	0	-
<b>Employees and workers</b>	<p>Vesuvius has a 'Speak Up' policy which is well communicated to employees and workers. Walk-In Managers are there to support the complainant where issues are raised locally. Concerns can be reported</p> <ol style="list-style-type: none"> <li>To the line manager or the next senior manager; or</li> <li>Senior management; or</li> <li>A member of the Global Compliance or Legal team</li> </ol> <p>Through the independent speak up helpline (web or phone)</p>	0	0	-	0	0	-
<b>Customers</b>	The company has a well-established global Vesuvius database for logging complaints from existing customers. Customers can lodge complaints to key Account Managers and complaints are resolved in a time-bound manner based on the nature and seriousness of complaints.	78	0	-	90	0	-

**24 Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, following format rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.**

SN	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	<b>Health, safety and environment</b>	Risk	<p>1. Non-compliance with safety and environmental concerns by employees</p> <p>2. Non-awareness of hazardous nature of chemicals</p> <p>3. Not following COVID-19 safety measures</p>	<p>1. SWIs (Safety Work Instructions) are defined and implemented. Lagging and leading indicators are being tracked as per the robust process. Additionally, we have periodic safety audits wherein all the employees participate to ensure the compliance as well as identify improvements.</p> <p>2. MSDS (Material Safety Data Sheet) and Training is in place to create awareness</p> <p>3. Detailed SOP for COVID-19 protocols has been rolled out, employee training has been provided &amp; adherence to the SOP is strictly ensured.</p> <p>4. Medical check-ups are conducted periodically, and vaccination drive as per Govt. Regulations were undertaken.</p>	Negative
2	<b>Innovation</b>	Opportunity	New Business opportunities due to energy efficient products	<p>1. Information sharing with customers on innovations</p> <p>2. Marketing of products with the benefits</p>	Positive
3	<b>Sustained performance &amp; quality</b>	Risk	<p>Risk of customer being lost in the course of business</p> <p>Customer dissatisfaction due to unfulfilled expectations.</p>	<p>1. Enhanced customer satisfaction</p> <p>2. Handling of CCARS (Customer Corrective Action Request) with 8D approach strategies (Methodology for identifying root cause), partner of choice</p>	Negative
4	<b>Disaster recovery</b>	Risk	1. Business interruption due to natural calamities like earthquakes, cyclones, floods etc.	1. Supply disruptions managed through supplying from alternate sources including global sources. Financial losses to assets mitigated through insurance	Negative
5	<b>Data Security, Privacy and Cyber security</b>	Risk	<p>Risk of confidential data leakage via cyber-attack, USB drives and Flash drives</p> <p>Exposure of Company data because of work from home</p>	<p>1. All USB access and drives are restricted by IT support</p> <p>2. Restricted data access, data transfer control &amp; data encryption to mitigate risk associated.</p>	Negative

**Section B - MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

**P Principle Wise Performance Disclosures.**

- P1 Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.
- P2 Businesses should provide goods and services in a manner that is sustainable and safe.
- P3 Businesses should respect and promote the well-being of all employees, including those in their value chains.
- P4 Businesses should respect the interests of and be responsive to all its stakeholders.
- P5 Businesses should respect and promote human rights.
- P6 Businesses should respect and make efforts to protect and restore the environment.
- P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- P8 Businesses should promote inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Ethics Transpar- ent and Account- able	Goods &Services in Sustainable and Safe manner	Well-be- ing of all Employ- ees	Respon- sive to all stake- holders	Respect Restore for Human Rights	Envi- ron- ment	Public Policy Advo- cacy	Inclu- sive Growth	Cus- tomer En- gage- ment
<b>1</b>	<b>A. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>								
	Y	Y	Y	Y	Y	Y	Y*	Y	Y
	<b>B. Has the policy been approved by the Board? (Yes/No)</b>								
	Y	Y	Y	Y	Y	Y	Y*	Y	Y
	<b>C. Web Link of the Policies, if available</b>								
	The Corporate policies of the company can be viewed at weblink- <a href="https://fosecoindia.com/Policies.aspx">https://fosecoindia.com/Policies.aspx</a> . Some of the policies of the company which are internal are accessible only to employees and other internal stakeholders.								
<b>2</b>	<b>Whether the entity has translated the policy into procedures. (Yes / No)</b>								
	Y	Y	Y	Y	Y	Y	N	Y	Y
<b>3</b>	<b>Do the enlisted policies extend to your value chain partners? (Yes/No)</b>								
	Y	N	Y	N	Y	N	N	N	N
* Value chain partners covers vendors, dealers and distributors. **The Policy on Public Advocacy is contained in the Code of conduct of the Company that has been approved by the Board. However, the policy will be reviewed to capture finer points of public advocacy, if necessary.									
<b>4</b>	<b>Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</b>								
	1. Quality Management System (QMS ISO 9001:2015). 2. Environmental Management System (EMS 14001:2015). 3. Occupational Health and Safety Management System (OHBSMS ISO 45001:2018) All the above ISO Certifications are assessed by Lloyd's Register Group Limited.								

<b>5 Specific commitments, goals and targets set by the entity with defined timelines, if any.</b>	<p>Company has set its targets on environmental footprint reduction in terms of CO<sub>2</sub>, Waste and Waste water reduction.</p> <p><b>1) CO<sub>2</sub>: We have a target of becoming Net Zero Carbon by 2050.</b> In alignment with this long-term target we have Short-term, Mid-term and Long-term goals. Short term: Reduction by 25% of CO<sub>2</sub> emissions by 2025 over 2019 baseline. Mid-term: Reduction of 50% CO<sub>2</sub> Emissions by 2035 and 25% by 2050.</p> <p><b>2) Solid waste</b> Reduction of 25% relative solid waste by 2025 over 2019.</p> <p><b>3) Recycled Raw materials</b> Reduction of recycled raw materials by 7% by 2025 over 2019.</p> <p><b>4) Waste-water reduction</b> Reduction of 25% relative waste water by 2025 over 2019.</p>
<b>6 Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</b>	<p>All the Sustainability KPI's are met in line with internal targets for 2022</p> <p>1) Reduce 51% of Overall CO<sub>2</sub> emissions against target of 25% by 2025. - By green energy certification and Scope 1 reduction projects.</p> <p>2) Reduction in Solid waste: 45% over 2019 in 2022</p> <p>3) Use of Recycled raw materials are at 13.1% of total raw materials consumed in 2019 The waste water KPI is exempted as the waste water is treated in ETP followed by Reverse Osmosis and Ultra filtration and reused for green belt development. Part of treated waste water is also recycled back into process hence the waste water generation is nullified.</p>

#### Governance, leadership and oversight

#### 7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Foseco strives to achieve the highest standards of Health, Safety and Environment (HSE) practices, having adopted an Integrated (Quality, Health, Safety and Environment) Management System (IMS) accredited to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. The Company has well established HSE standards and monitoring processes for each of its operations. Every employee is required to conduct safety audits and suggest safety improvement opportunities. These improvement opportunities are reviewed by HSE team members and wherever feasible these are implemented in the safety culture journey. It also runs continuous improvement programs for employees' health and safety. To increase HSE awareness amongst employees, Foseco regularly conducts internal competitions and participates in competitions organized by trade bodies. The company has launched sustainability drive with defined targets to reduce its environmental footprint in terms of CO<sub>2</sub>, Energy, Solid Waste and waste water. The company has invested in its own green energy source, a solar power project in Pune, with a capacity of 565 KWP. The company has implemented specific measures to reduce its CO<sub>2</sub> emissions, in terms of energy efficiency and neutralization of secondary energy through green energy contracts.

The Company has constantly been emphasizing on optimization of energy consumption in every possible area of its manufacturing facilities. Various avenues are being explored at periodic intervals and after careful analysis and planning, several measures are being initiated to minimize the consumption of energy.

During the year, the following measures were adopted for conservation and optimum utilization of energy:

- Introduction of energy efficient vacuum pumps controlled by microprocessor and VFD.
- Upgradation of conventional motors in utilities with energy efficient motors.
- Enhancement of energy efficiency in the reactor through coil replacement.
- Upgradation of lighting system to energy efficient LEDs.
- Introduction of energy efficient modulating burners in ovens.
- Thermal insulation coating in ovens for conservation.

<b>8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b>	<p>Mr. Prasad Chavare (DIN 08846863) Designation -MD &amp; CEO E-Mail Id: <a href="mailto:prasad.chavare@vesuvius.com">prasad.chavare@vesuvius.com</a></p>
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**9 Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**

The Business Responsibility performance is reviewed by the Board of Directors on an annual basis. During the year, the CSR Committee and the Stakeholders Relationship Committee of Directors met one time and four times each respectively, to take review and assess the company's performance in terms of Business Responsibility. The Board reviews these aspects as well.

**10 Details of Review of National Guidelines on Responsible Business Conduct (NGRBCs) by the Company:**

Subject for Review	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee				Frequency (Annually/ Half Annually / Quarterly/ Any Other - Please specify)				
<b>Performance against above policies and follow up action</b>	Business Responsibility Policies of the company are reviewed periodically or on need basis by Senior Leadership Team including Managing Director and Chief Executive Officer. During the evaluation effective implementation of policies is assessed, the necessary changes to the policies are reviewed and implemented.								
<b>Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances</b>	The company is in compliance with all existing Laws and Regulations and in case of delay in compliances the concerned committee reviews the prevalent issues and takes the remedial action at the earliest. As a preventive control, company is implementing Legatrix a legal compliance tool that assists in ensuring compliance with all statutory requirements in a timely manner.								
<b>11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</b>	Yes, the policies on Quality, Health, Safety and Environment are subject to internal audits, external audits and ongoing periodic ISO assessments. The ISO assessments are done by Lloyd's Register Group Limited.								
<b>12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated</b>	<b>Not applicable as all principles are covered by respective policies.</b>								

## Principle 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

### Essential Indicators

#### 1 Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total number of training and awareness programs held	Topics /principles covered under the training and its impact	% of persons in respective category covered by the awareness programs
<b>Board of Directors</b>	4	<ol style="list-style-type: none"> <li>1. Strategic and regulatory updates for Health, safety and environmental Plans</li> <li>2. Updates on CSR activities, upgradation of manufacturing facilities, etc. are also given to the Directors.</li> <li>3. Familiarization programs for compliance matrix, pending legal cases, major pending issues etc.</li> </ol>	100%
<b>Key Managerial Personnel</b>	5	<ol style="list-style-type: none"> <li>1. Strategic and regulatory updates for Health, safety and environmental Plans</li> <li>2. Updates on CSR activities, upgradation of manufacturing facilities, etc. are also given to the Directors.</li> </ol>	100%
<b>Employees other than BOD and KMPs</b>	4	<ol style="list-style-type: none"> <li>1. Core Values of the company</li> <li>2. POSH Training</li> <li>3. Health, Safety and Environment training</li> <li>4. Code of Conduct</li> </ol>	100%
<b>Workers</b>	4	<ol style="list-style-type: none"> <li>1. Core Values of the company</li> <li>2. POSH Training</li> <li>3. Health, Safety and Environment</li> <li>4. Code of Conduct</li> </ol>	100%

\* We will review and institutionalize proper attendance recording mechanism.

- 2 **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format** (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
<b>Penalty/Fine</b>	The Company/Directors/KMP was neither liable to pay any fines or penalties nor any punishment/				
<b>Settlement</b>	award/ compounding fees/ settlement was arrived at with any regulators/ law enforcement				
<b>Compounding Fee</b>	agencies/ judicial institutions, during the financial year.				

Non – Monetary					
Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
<b>Imprisonment</b>	The Company/Directors/KMP was not liable for any non- monetary actions by any regulators/				
<b>Punishment</b>	law enforcement agencies/ judicial institutions, in the financial year.				

- 3 **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non- monetary action has been appealed.**

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
There was no liability on either the Company/ Directors/ KMP during the financial year. Also, there is no appeal or revision in cases where monetary or non-monetary action has been appealed.	

- 4 **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

The Company follows the Anti-Bribery and Corruption Policy (ABC Policy) framed by its Group Parent Company – Vesuvius plc. Vesuvius has a zero-tolerance approach to bribery and corruption. It is committed to the prevention, detection and investigation of all forms of bribery originating from the organisation or from third parties representing or associated with it. The policy for preventing bribery and corruption is the same around the world and the Company has taken the decision to hold itself up to the highest standards.

The Anti-Bribery and Corruption Policy can be accessed at: <https://www.vesuvius.com/en/supplier-portal/anti-bribery.html>

- 5 **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption**

Particulars	FY 2022	FY 2021
<b>Directors</b>		
<b>KMP's</b>	No disciplinary action was taken by any law enforcement agency for the charges of bribery/	
<b>Employees</b>	corruption against any Directors/KMPs/employees/workers.	
<b>Workers</b>		

- 6 **Details of complaints with regard to conflict of interest**

Particulars	FY 2022		FY 2021	
	Number	Remarks	Number	Remarks
<b>Number of complaints received in relation to issues of Conflict of Interest of the Directors</b>	0	No complaint regarding conflicts of interest	0	No complaint regarding conflicts of interest
<b>Number of complaints received in relation to issues of Conflict of Interest of the KMP's</b>	0	No complaint regarding conflicts of interest	0	No complaint regarding conflicts of interest

**7 Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

There were no cases of complaints of conflict of interest of Directors / KMP.

### Leadership Indicators

**1 Awareness programs conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programs held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programs
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FOSECO believes in influencing its value chain partners for proactively taking initiative to ensure responsible and sustainable business conduct. These is ensured through ongoing communication with the value chain partners. However, no formalized awareness programs were conducted for value chain partners.

**2 Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same**

Yes, Foseco India Limited has processes in place to avoid/ manage conflict of interest involving members of the board. Compliance with company policies includes-During the term, the Director will comply with the Code of Conduct & Ethics, the Code for Prevention of Insider Trading and the Anti-Bribery policies adopted by the Company and such other policies / requirements as the Board of Directors may from time-to-time devise / specify. Unless specifically authorized by the Company, they shall not disclose Company and business information to external constituents such as the media, the financial community, employees etc. He / She will keep confidential all information received by him / her with regard to the Company and its holding and affiliate companies. This duty of confidentiality will continue to apply even after he / she has ceased to be a Director of the Company.

The weblink of code of conduct policy is as follows:

<https://fosecoindia.com/Policies.aspx>

### Principle 2 Businesses should provide goods and services in a manner that is sustainable and safe

#### Essential Indicators

**1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Particulars	FY 2022	FY 2021	Details of improvements in environmental and social impacts
<b>R&amp;D</b>	28%	24%	Insta Project- Supply of Machines for instant mixing of premix in powders with water at customers' end: Reduction in scope 3 CO2 emission, reduction in hazardous waste generation at the customers' end, reduction in packaging material causing resource conservation.
<b>Capex</b>	12%	46%	<p><b>2021 Operations:</b></p> <ol style="list-style-type: none"> <li>1) Upgradation of Fire Hydrant System to reduce water footprint and energy conservation.</li> <li>2) Modulating burners for Ovens to reduce CO2 footprint &amp; Energy Efficiency</li> <li>3) Replacement of Solvent Lines in Coating: Reduction in loss due to vaporization of solvents resulting in resource conservation.</li> <li>4) Replacement of Diesel Forklift with Battery Operated forklift: Conversion to Scope 1 to Scope 2 emissions: CO2 Reduction.</li> </ol> <p><b>2022 Operations:</b></p> <ol style="list-style-type: none"> <li>1) Replacement of reactor cooling coil for energy efficiency and CO2 Reduction.</li> <li>2) Introduced lamella clarification and settling tank for recycling of slurry in reducing hazardous waste and resource conservation.</li> <li>3) Installed Roof top solar power project: Green energy generation and Reduction in Scope 2 Emissions.</li> <li>4) Introduced IE3 Motor for energy efficiency and CO2 emission Reduction.</li> </ol>

**2 A. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Currently the group's sustainable sourcing guidelines are followed by Foseco India as well.

**B. If yes, what percentage of inputs were sourced sustainably?**

Not Applicable

**3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste**

Currently none of the products are being reclaimed for reusing, recycling and disposing at the end of life.

**4 Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

On the evaluation of the nature and conduct of business, Extended Producer Responsibility (EPR) is not applicable.

**Leadership Indicators**

**1 Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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The Company is currently not performing Life Cycle Assessments for its products. However, discussions regarding the same has been initiated.

**2 If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / Concern	Action Taken
	Nil	

**3 Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)**

Indicate input material	Recycled or re-used input material to total Material	
	FY 2022	FY 2021
Recycled or Reused input material	8.58%	8.52%

**4 Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Particulars	FY 2022			FY 2021		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste						
Hazardous Waste						
Other Waste						

Currently none of the products are being reclaimed for reusing, recycling and disposing at the end of life.

**5 Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
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No instances of reclaimed product during FY 2021 and 2022.

## Principle 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

### Essential Indicators

#### 1 a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number C	% (C / A)	Number (D)	% (D / A)	Number E	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	127	127	100%	127	100%	0	0%	127	100%	0	0%
Female	8	8	100%	8	100%	8	100%	0	0%	0	0%
<b>Total</b>	<b>135</b>	<b>135</b>	<b>100%</b>	<b>135</b>	<b>100%</b>	<b>8</b>	<b>100%</b>	<b>127</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
<b>Other Than Permanent employees</b>											
Male											
Female	There are no employees other than permanent employees in the company.										
Total											

\* The Paternity Policy is applicable to all permanent employees and effective March 01, 2022

#### b. Details of measures for the well-being of workers

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number C	% (C / A)	Number (D)	% (D / A)	Number E	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male	90	90	100%	90	100%	0	0%	90	100%	0	0
Female	0	0	100%	0	100%	0	0%	0	0%	0	0
<b>Total</b>	<b>90</b>	<b>90</b>	<b>100%</b>	<b>90</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>90</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
<b>Other Than Permanent workers</b>											
Male	135	135	100%	135	100%	0	0%	0	0%	0	0%
Female	0	0	100%	0	100%	0	0%	0	0%	0	0%
<b>Total</b>	<b>135</b>	<b>135</b>	<b>100%</b>	<b>135</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

#### 2 Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2022			FY 2021		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI*	NA	100%	Y	100%	100%	Y
Others – Superannuation	40%	100%	NA	-	-	-

\* All eligible employees and workers are covered under ESI. For the employees/workers which don't come under the purview of ESI the workforce is covered under the Workmen Compensation Act, 1923.



**3 Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

At present our facility is not equipped with the said requirements. Currently we are in the process of reviewing the requirements for taking appropriate measures.

**4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to**

Equal opportunity is covered as a part of Foseco Code of Conduct. The Code of Conduct is displayed on the Company's webpage at the following link - <https://fosecoindia.com/Policies.aspx>

**5 Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	-	-	-	-
Total	-	-	-	-

Note- No employees and workers availed parental leaves during the reporting period.

**6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief**

Particulars	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, there is a grievance redressal mechanism for employees and workers. Townhall meetings are conducted at regular intervals to redress employee grievances. There is a Vesuvius Speak up policy which is communicated and Walk-In Managers are there who will support the Compliance team where issues are raised locally. Concerns can be reported-
Other than Permanent Workers	
Permanent employees	<ol style="list-style-type: none"> <li>To their line manager or another manager</li> <li>To senior management</li> <li>A member of the Compliance or Legal team</li> <li>Through the independent speak up helpline (web or phone): 000 800 0502 243 All concerns raised are treated confidentially and are investigated thoroughly.</li> </ol>
Other than Permanent employees	<p>In case any employees have any concerns or receive sensitive reports/ allegations then employees/workers can directly escalate this to the Compliance Director.</p> <p>Also, The POSH (Prevention of Sexual Harassment) committee is set up to address any issues pertaining to sexual harassment.</p>

## 7 Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022			FY 2021		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employee</b>	135	0	0%	114	0	0%
<b>Male</b>	127	0	0%	112	0	0%
<b>Female</b>	8	0	0%	2	0	0%
<b>Total Permanent Workers</b>	90	59	66%	91	51	56%
<b>Male</b>	90	59	66%	91	51	56%
<b>Female</b>	0	0	0%	0	0	0%

## 8 Details of training given to employees and workers:

Category	FY 2022					FY 2021				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Male</b>	127	127	100%	100	79%	112	112	100%	105	94%
<b>Female</b>	8	8	100%	1	13%	2	2	100%	2	100%
<b>Total</b>	135	135	100%	101	75%	114	114	100%	107	94%
<b>Workers</b>										
<b>Male</b>	90	90	100%	55	61%	91	91	100%	91	100%
<b>Female</b>	0	0	0%	0	0%	0	0	0%	0	0%
<b>Total</b>	90	90	100%	31	34%	91	91	100%	91	100%

\* We will review and institutionalize proper attendance recording mechanism.

## 9 Details of performance and career development reviews of employees and worker:

Category	FY 2022 Current Financial Year			FY 2021 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
<b>Male</b>	127	127	100%	112	112	100%
<b>Female</b>	8	8	100%	2	2	100%
<b>Total</b>	135	135	100%	114	114	100%
<b>Workers</b>						
<b>Male</b>	90	90	100%	91	91	100%
<b>Female</b>	0	0	100%	0	0	100%
<b>Total</b>	90	90	100%	91	91	100%

## 10 Health and safety management system:

### A. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, Foseco India Limited is certified for ISO 14001:2015 and ISO 45001:2018 standards. The company has implemented ISO Framework to provide a safe and healthy workplace across the company. This is done to prevent/ address work related injury, ill health and continuously improving safety performance to minimize risk. The company also has an occupational health center to address any safety concerns.

**B. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The company is certified for its environment management system in compliance with ISO 14001:2015 and ISO 45001:2018 standards Foseco India Limited regularly conducts safety audits. Safety risk assessment is done for preventing any incidents, injuries and hazards. Detailed Standard Operating Process (SOP) is referred before starting any new activity. Also hazard identification and risk analysis is done at regular intervals on ongoing basis

**C. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, the Company encourages all workers to report any work-related hazards in the templates provided to them. Employees have separate database in LOTUS to record safety and work improvement opportunities. In case any incident is reported, appropriate investigation and root cause analysis is done for taking corrective actions.

**D. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, all employees are covered under the health insurance scheme and the policy benefits also extends to spouse and dependent kids. There is also an accident insurance cover for all employees and workers which provides financial assistance in case of any accidents or. Periodic health check-up, wellness programs are also conducted in the organization. There is also an occupational health center for treatment of any work-related injury. This is accessible to all employees and workers.

**11 Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022	FY 2021
<b>Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)</b>	Employees	Nil	Nil
	Workers	Nil	Nil
<b>Total recordable work-related injuries</b>	Employees	Nil	Nil
	Workers	Nil	Nil
<b>No. of fatalities</b>	Employees	Nil	Nil
	Workers	Nil	Nil
<b>High consequence work-related injury or ill-health (excluding fatalities)</b>	Employees	Nil	Nil
	Workers	Nil	Nil

**12 Describe the measures taken by the entity to ensure a safe and healthy work place.**

The company has taken following measures to ensure a safe and healthy work place.

- 1) Provided Safe machines and equipment's (Machines are provided with adequate guarding, safety interlocks and gadgets to prevent human intervention).
- 2) Hazards Identification and risk assessments are carried out for every activity in the organization.
- 3) Risk mitigation measures are implemented with Elimination, Substitution, Engineering and Administration controls.
- 4) Residual risk is kept to a minimum and the residual risk is mitigated with Personal Protection Measures and Administrative controls.
- 5) Health checks are carried out annually for the assessment of occupational health risks.
- 6) Health and Safety Trainings are conducted based on the training need identification.

**13 Number of Complaints on the following made by employees and workers:**

Particulars	FY 2022			FY 2021		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
<b>Working Conditions</b>	Nil	Nil	No complaints are reported	Nil	Nil	No complaints are reported
<b>Health &amp; Safety</b>	Nil	Nil	No complaints are reported	Nil	Nil	No complaints are reported

#### 14 Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
<b>Health and safety practices</b>	The Pune location has been assessed by competent authority in March 2021 and this assessment is conducted once in two years. The Puducherry location is not required to be assessed by statute.
<b>Working Condition</b>	However, in addition to the external agency, comprehensive internal assessment by independent internal auditors is carried out on an annual basis at 100% locations

#### 15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

There were no such safety related incidents noticed as the following health and safety practices are put in place-

1. Emergency Control Center established
2. Safety reviews and surprise checks are conducted by internal auditors
3. Safety caution symbols and posters are adequately signposted

#### Leadership Indicators

##### 1 Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

Yes, the entity has Group Accident Insurance Policy in the event of death of employees and workers.

##### 2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

There are various internal evaluating teams who analyze the statutory dues of value chain partners and wherever discrepancies are found remedial actions are taken.

##### 3 Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

Particulars	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022	FY 2021	FY 2022	FY 2021
<b>Employees</b>	Nil	Nil	Nil	Nil
<b>Workers</b>	Nil	Nil	Nil	Nil

##### 4 Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, subject to requirements the company provides short term assignments on specific projects across the organization.

##### 5 Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
<b>Health and safety practices</b>	Currently vendor assessment of value chain partners are carried out by third party. However, going forward it is our intent to have more detailed assessment focusing on all crucial factors like health and safety practices.
<b>Working Condition</b>	Currently vendor assessment of value chain partners are carried out by third party. However, going forward it is our intent to have more detailed assessment focusing on all crucial factors like working conditions.

##### 6 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

NA

## Principle 4. Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

#### 1 Describe the processes for identifying key stakeholder groups of the entity.

We at Foseco India Limited believe that sustainability in growth can be attained by identifying and mutually working for and along with the Key stakeholders. The entity can achieve its objective and future defined goals with the assistance from its stakeholders. Thus, the stakeholders are identified on the basis of materiality and influence of their involvement in present or in future on the decisions of the company and on sustainable growth of the company. On this basis key stakeholders identified are Shareholders/Investors, Employees, Customers, Suppliers, Value Chain Partners, Regulatory bodies/ Government, Society/ Community or NGO. The company not only identifies the stakeholders but also tries to protect their interests and considers their views for the betterment of the organization. The policies/ frameworks are in existence to maintain transparency among the stakeholders and build faith and trust among all.

#### 2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders/ Investors	No	Annual Report, Quarterly Results, Stock Exchange Intimations, Company Website, Stock Exchange Website, Annual General Meetings.	Quarterly basis and need based	Financial Results, Growth prospects, Dividends.
Employees	No	Town Hall Meetings, Performance Review/Appraisals, Union Meetings, Website, Wellness Initiatives. One-on-One Interactions, Workshops, Employee Trainings.	Ongoing	Receiving Employee Feedback and resolving the issues, Employee Training and Skill Development, Employee Goal Setting and Career Growth.
Customers	No	Customer Plant Visits, Trade Body Memberships, Exhibitions, Conferences and Events, Social Media, Presentations, Brochures, Customer Surveys, Key Account Management	Ongoing	Product Quality, Delivery, After Sales Service, Customer Awareness and Complaint Resolution.
Suppliers/ Vendors	No	1. Supplier and Vendor Meetings 2. Policies 3. Vendor Audits 4. Trade Association Meets/ Seminars	Ongoing	Supply of Material and Services, quality and delivery related concerns, new product development.
Government/ Regulators	No	1. Regulatory Audits/Inspections 2. Routine filing of Reports 3. Need based Interactions	Ongoing	Compliance Management, Submissions, Proactive engagement
Communities/ NGO	Yes	1. Community meets, visits and Projects 2. Volunteerism 3. Partnerships with NGO/Trusts	Ongoing	Community Development, Positive Impact on society, Increased Employee Engagement

### Leadership Indicators

#### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Formal consultation between the Board and the shareholders takes place at the Annual General Meeting of the Company. The queries of the shareholders are suitably addressed by the Chairperson of the Board or by any other person allowed by the Chairperson. The consultation on topics like environment and social matters are delegated to the Managing Director and the functional head of the Company who provide an update to the Board.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/ No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity**

The company tries to build the communication with its stakeholders through the policies or various frameworks through the website on the basis of ESG topics. This is in the process of development.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

The entity conducts CSR initiatives, also has diversity and Equality policy which articulates its commitments to vulnerable /marginalized stakeholder groups.

**Principle 5. Businesses should respect and promote human rights**

**Essential Indicators**

**1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022			FY 2021		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	135	-	-	114	-	-
Other than permanent	0	-	-	0	-	-
<b>Total Workers</b>	<b>135</b>	<b>-</b>	<b>-</b>	<b>114</b>	<b>-</b>	<b>-</b>
<b>Workers</b>						
Permanent	90	-	-	91	-	-
Other than permanent	0	-	-	0	-	-
<b>Total Workers</b>	<b>90</b>	<b>-</b>	<b>-</b>	<b>91</b>	<b>-</b>	<b>-</b>

\*No formal training conducted during the year for Human rights issues. Guidelines are available as part of global policy for adherence.

**2 Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022					FY 2021				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Permanent	135	0	0%	135	100%	114	0	0%	114	100%
Male	127	0	0%	127	100%	112	0	0%	112	100%
Female	8	0	0%	8	100%	2	0	0%	2	100%
Other than Permanent	0	0	0%	0	0	0	0	0%	0	0
Male	0	0	0%	0	0	0	0	0%	0	0
Female	0	0	0%	0	0	0	0	0%	0	0
<b>Workers</b>										
Permanent	90	0	0%	90	100%	91	0	0%	91	100%
Male	90	0	0%	90	100%	91	0	0%	91	100%
Female	0	0	0%	0	100%	0	0	0%	0	0%
Other than Permanent	135	135	100%	0	0%	118	118	100%	0	0%
Male	135	135	100%	0	0%	118	118	100%	0	0%
Female	0	0	100%	0	0%	0	0	100%	0	0%



**3 Details of remuneration/salary/wages, in the following format**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (In lakh)	Number	Median remuneration/ salary/ wages of respective category (In lakh)
<b>BOD</b>	4	₹ 32.15	2	₹ 10.72
<b>KMP</b>	3	₹ 169.23	0	Nil
<b>Employees (Other than BOD/KMP)</b>	124	₹ 18.05	8	₹ 18.14
<b>Workers</b>	90	₹ 7.53	0	Nil

**4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the Company has formulated a mechanism to address the people concerns by deploying a designated walk-in-manager at each of its site to deal with the following:-

1. HR operational issues – benefits, remuneration, overtime, grievances
2. Compliance concerns – Fraud, Theft, Corruption, Conflict of Interest, Breach of Code of Conduct/Policy, Harassment, Bullying or Discrimination

**5 Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The company has adopted various employee-oriented policies or frameworks such as code of conduct, sexual harassment policy, diversity and equality policy, which provides a safe grievance redressal mechanism for all employees. With regards to internal mechanisms, there are walk in managers to address any grievances arising on account of human rights issues. All employee related grievances are duly investigated and actions are taken as per policies. Employees are encouraged to raise grievances against any colleague, superior or customer for breach of code of conduct or any policies.

**6 Number of Complaints on the following made by employees and workers**

Particulars	FY 2022			FY 2021		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
<b>Sexual Harassment</b>	1	0	Closed	0	0	0
<b>Discrimination at workplace</b>	0	0	0	0	0	0
<b>Child Labour</b>	0	0	0	0	0	0
<b>Forced Labour/ Involuntary Labour</b>	0	0	0	0	0	0
<b>Wages</b>	0	0	0	0	0	0
<b>Other human rights related issues</b>	0	0	0	0	0	0

**7 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

1. The Company has a sexual harassment policy and POSH Committee to address any sexual harassment grievances/complaints in line with the guidelines of Sexual Harassment of Women at Workplace (prevention, prohibition and redressal Act),2013.
2. The Company provides protection against discrimination to employees who raise any concerns as per the Whistle Blower Policy.

**8 Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, the Company has framed Anti-Sexual Harassment Policy. Relevant part of the said policy is laid in the business agreement or contract which are required to be adhered by the party to the agreement.

**9 Assessments for the year**

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
<b>Child labour</b>	
<b>Forced/involuntary labour</b>	
<b>Sexual harassment</b>	The company is extremely diligent in ensuring 100% compliance to all these essential indicators through a robust internal policy framework
<b>Discrimination at workplace</b>	
<b>Wages</b>	
<b>Others – please specify</b>	

**10 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

The organization has not encountered any circumstances where corrective actions were required to be taken in order to address significant risks / concerns arising from the assessments.

**Leadership Indicators****1 Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

As there were no complaints addressed with respect to Human Rights, there were no initiative taken to modify or develop current business processes.

**2 Details of the scope and coverage of any Human rights due-diligence conducted.**

Human Rights Due Diligence was not conducted during the reporting period.

**3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

At present our facility is not equipped with the said requirements. Currently we are in the process of reviewing the requirements for taking appropriate measures.

**4 Details on assessment of value chain partners**

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
<b>Child labour</b>	
<b>Forced/involuntary labour</b>	Currently we have overall assessments of value chain partners. However, going forward, we will focus and include specific details on the other aspects like Child labour, Forced / Involuntary labour, sexual harassment, Discrimination at workplace etc.
<b>Sexual harassment</b>	
<b>Discrimination at workplace</b>	
<b>Wages</b>	
<b>Others – please specify</b>	

**5 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above**

The organization has not encountered any circumstances where corrective actions were required to be taken in order to address significant risks / concerns arising from the assessments.

**Principle 6. Business should respect and make efforts to protect & restore the environment****Essential Indicators****1 Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:**

Parameter	FY 2022	FY 2021
Total electricity consumption (A)	9,776.67	9,872.15
Total fuel consumption- Liquefied petroleum gas (B)	16,611.46	18,710.54
Energy consumption through other sources Energy Generated through High-Speed Diesel and Light Diesel Oil (C)	3,265.54	3,206.24
<b>Total energy consumption (A+B+C)</b>	<b>29,653.67</b>	<b>31,788.94</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (GJ/Crore)	72.91%	94.05
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The entity has not conducted any independent assessment/ evaluation/assurance by an external agency.

**2 Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

The company does not have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

**3 Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022	FY 2021
<b>Water withdrawal by source (in kilolitres)</b>		
<b>(i) Surface water</b>	Nil	Nil
<b>(ii) Groundwater</b>	Nil	Nil
<b>(iii) Third party water</b>	41,009	46,288
<b>(iv) Seawater / desalinated water</b>	Nil	Nil
<b>(v) Others</b>	Nil	Nil
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	41,009	46,288
<b>Total volume of water consumption (in kilolitres)</b>	41,009	46,288
<b>Water intensity per rupee of turnover (Water consumed / turnover) (KL / Crore)</b>	100.82	136.94
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	-	-

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency**

The entity has not conducted any independent assessment/ evaluation/assurance by an external agency.

**4 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Foseco India Limited has strategic wastewater treatment plant, followed by RO (Reverse Osmosis), UF (Ultra Filtration) system and MEE (Multi Effect Evaporators) that ensures that there will be no major discharge of industrial waste water into the environment and this helps in maximizing water recovery. Also, most of the contaminants are reduced to solid waste. Reusing and recycling of waste water helps in increasing the environmental performance.

**5 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022	FY 2021
NOx	mg/Nm <sup>3</sup>	42.62	42.72
Sox	kg/Day	13.21	14.23
Particulate matter (PM)	mg/Nm <sup>3</sup>	56.31	59.03
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)		-	-
Others – please specify		-	-

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The entity's air emission independent assessment was carried out by Akanksha analytical & Research Lab.

**6 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022	FY2021
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	2133	2177
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	2711	2584
* This Scope 2 emission are neutralized based on International Renewable Energy Certificates (IREC).			
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover (MT / Crore)</b>	-	11.91	14.09
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	-	-

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The entity has not conducted any independent assessment/ evaluation/assurance by an external agency.

**7 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

- 1) Introduced Modulating burners (for sequential ON & OFF as per heat requirement) in Ovens for energy efficiency and Scope 1 CO<sub>2</sub> emissions reduction.
- 2) Heat Insulation coating done in Ovens for increasing the energy efficiency and CO<sub>2</sub> emissions reduction.
- 3) Enhanced the loading capacity by double & triple stacking of products in Ovens for utilization hence reducing CO<sub>2</sub> emissions.
- 4) Reduced Cycle time in Kiln hence reducing the LPG consumption / metric ton of products packed.
- 5) Installed 565kWP solar power plant in Pune.
- 6) Elimination of Thermopack use in Binders by recipe change.

**8 Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022	FY 2021
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste <b>(A)</b>	102.20	95.06
E-waste <b>(B)</b>	0.45	0.12
Bio-medical waste <b>(C)</b>	Nil	Nil
Construction and demolition waste <b>(D)</b>	Nil	Nil
Battery waste <b>(E)</b>	Nil	Nil
Radioactive waste <b>(F)</b>	NA	NA
Other Hazardous waste. Please specify, if any. <b>(G)</b>	41.14	95.28
Other Non-hazardous waste generated <b>(H)</b> . Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	60.63	119.16
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>204.42</b>	<b>309.61</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>	<b>163.572</b>	<b>214.96</b>
<b>Category of waste</b>		
(i) Recycled	163.572	214.96
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
<b>Total</b>	<b>162.83</b>	<b>214.96</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	Nil	Nil
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations*	41.14	95.28
* Hazardous Waste is handed over to MPCB authorized Common Hazardous Waste Treatment Storage Disposal Facility (CHWTSDF)		
<b>Total</b>	<b>41.14</b>	<b>95.28</b>

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The entity has not conducted any independent assessment/ evaluation/assurance by an external agency.

**9 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Foseco India Limited has made waste management a priority by maintaining principles of 3 R (Reduce, Recycle and Reuse). The company has prepared a flowchart to understand its waste profile and has mapped the waste generation and waste disposal process.

**Management of Hazardous Waste:**

Hazardous waste management is done as per the laws and waste records are maintained for the same. The waste is transported in a safe and responsible manner and sent to authorized MPCB recyclers. The waste generated is within the MPCB norms and all other rules and regulations in the location where it operates.

**Management of Non- Hazardous Waste:**

Non- Hazardous waste such as wooden waste, MS scrap, Metal scrap, Paper Bags, Plastic Bags, Garbage is disposed to authorized recyclers.

- 10 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

SN	Location of operations	Types of Operation	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
The entity has no operations/offices in/around ecologically sensitive areas and hence environmental approval / clearances were not required.			

- 11 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
There were no new projects for which Environment Impact Assessment was required to be carried out during the reporting period					

- 12 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

SN	Specify the law / regulation / guidelines which was not complied with	Provide details of the non compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The company is in compliance with all applicable environmental law/ regulations/ guidelines. Thus, no fines / penalties / action taken by regulatory authorities. In case of non-compliance the concerned committee reviews the prevalent issues and takes the remedial action at earliest.				

### Leadership Indicators

- 1 Provide break-up of the total energy consumed (in Gija Joules) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022	FY 2021
<b>For Renewable Sources</b>		
Total Electricity Consumption (A)	193	0
Total Fuel Consumption (B)	Nil	Nil
Energy Consumption through other sources (C)	Nil	Nil
<b>From Non - Renewable Sources</b>		
Total Electricity Consumption (D)	9,777	9,872
Total fuel consumption- Liquefied petroleum gas (E)	16,611	18,711
Energy consumption through other sources Energy Generated	3,266	3,206
<b>Total energy consumed from Non - Renewable Sources</b>	<b>29,847</b>	<b>31,789</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The entity has not conducted any independent assessment/ evaluation/assurance by an external agency.



## 2 Provide the following details related to water discharged:

Parameter	FY 2022	FY 2021
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
<b>(i) To Surface Water</b>	Nil	Nil
No Treatment	Nil	Nil
With Treatment - Please specify level of treatment	Nil	Nil
<b>(ii) To Ground Water</b>	Nil	Nil
No Treatment	Nil	Nil
With Treatment - Please specify level of treatment	Nil	Nil
<b>(iii) To Sea Water</b>	Nil	Nil
No Treatment	Nil	Nil
With Treatment - Please specify level of treatment	Nil	Nil
<b>(iv) Sent to third parties</b>	Nil	Nil
No Treatment	Nil	Nil
With Treatment - Please specify level of treatment	Nil	Nil
<b>(v) Others</b>	Nil	Nil
No Treatment	Nil	Nil
With Treatment - Please specify level of treatment	Nil	Nil
<b>Total Water discharged (in Kilolitres)</b>	Nil	Nil

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The entity has not conducted any independent assessment/ evaluation/assurance by an external agency.

## 3 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

**For each facility / plant located in areas of water stress, provide the following information:**

- Name of the area** - Not Applicable
- Nature of operations** - Not Applicable
- Water withdrawal, consumption and discharge in the following format** - Not Applicable

Parameter	FY 2022	FY 2021
<b>Water withdrawal by source (in kilolitres)</b>		
(i) To Surface Water	Nil	Nil
(ii) To Ground Water	Nil	Nil
(iii) To Sea Water	Nil	Nil
(iv) Sent to third parties	Nil	Nil
(v) Others	Nil	Nil
<b>Total volume of Water withdrawal (in kilolitres)</b>	Nil	Nil
<b>Total volume of Water consumption (in kilolitres)</b>	Nil	Nil
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	Nil	Nil
<b>Water intensity (optional)</b> – the relevant metric may be selected by the entity	Nil	Nil
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
<b>(i) To Surface Water</b>	Nil	Nil
No Treatment	Nil	Nil
With Treatment - Please specify level of treatment	Nil	Nil
<b>(ii) To Ground Water</b>	Nil	Nil
No Treatment	Nil	Nil
With Treatment - Please specify level of treatment	Nil	Nil
<b>(iii) To Sea Water</b>	Nil	Nil
No Treatment	Nil	Nil
With Treatment - Please specify level of treatment	Nil	Nil

Parameter	FY 2022	FY 2021
<b>(iv) Sent to third parties</b>	Nil	Nil
No Treatment	Nil	Nil
With Treatment - Please specify level of treatment	Nil	Nil
<b>(v) Others</b>	Nil	Nil
No Treatment	Nil	Nil
With Treatment - Please specify level of treatment	Nil	Nil
Total Water discharged (in Kilolitres)	Nil	Nil

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The entity has not conducted any independent assessment/ evaluation/assurance by an external agency.

**4 Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022	FY 2021
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	Currently Scope 3 emissions are not considered in the calculation of air emission.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emissions intensity (optional) – the relevant metric may			

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The entity has not conducted any independent assessment/ evaluation/assurance by an external agency.

**5 With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

The entity has no operations/offices in/around ecologically sensitive areas and hence an assessment of the impact of the entity on biodiversity is not carried out.

**6 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

SN	Initiative Undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
1	Installation of Multi Effect Evaporator for the treatment of RO Reject.	Treated water reused back in to process.	Increased water reuse or recycle

**7 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The company has a risk management policy and on-site emergency plan in place for tackling the onsite emergency scenarios. The policy is duly approved by the risk management committee. In case of any potential emergency scenarios, the emergency response team will be triggered by defined means of communication. The site emergency management will be activated depending on the type of emergency raised. The site incident controller will act as defined in the plan and take overall charge of incident management.

**8 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Currently there is no practice to identify any significant adverse impact to the environment, arising from the value chain of the entity. We will assess the need of such practice.

**9 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Not Applicable as no assessment for environmental impacts of value chain partners are carried out.

## Principle 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Essential Indicators

#### 1 A. Number of affiliations with trade and industry chambers/ associations.

The Foseco India Limited has two affiliations with trade and industry chambers/associations. The organization try's to be its active participant and contributor to the discussions and resolutions for the subjects within the purview of the forums of the chambers/associations.

#### B. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

SN	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA)	State Level
2	Deccan Chamber of Commerce and Industries and Agriculture	State Level
3	Institute of Indian Foundrymen (IIF)	National Level
4	GDC Tech Forum	National Level
5	Aluminium Caster's Association (ALUCAST)	National Level

#### 2 Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of Authority	Brief of the case	Corrective Action Taken
The company did not find any issues related to anti-competitive conduct from any regulatory authorities. Thus, no corrective action was taken or is underway on any issue related to anti-competitive conduct by the entity.		

### Leadership Indicators

#### 1 Details of public policy positions advocated by the entity:

SN	Public Policy Advocated	Method resorted for such advocacy	Whether information available in Public Domain? (Yes/ No)	Frequency of Web Review by Link, If Board available? (Annually/ Half Yearly/ Quarterly/ Others- Please Specify)
The company keenly participates in putting forward its opinion/ views on various standards or any regulatory developments relevant to the foundry industry. We try to attain equilibrium among various stakeholders. However, the company has not advocated any public policy position in the current financial year.				

## Principle 8 Businesses should promote inclusive growth and equitable development

### Essential Indicators

#### 1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

Name and Brief Details of the Project	SIA Notification No.	Date of Notification	Whether conducted by Independent External Agency (Yes/ No)?	Results Communicated in Public Domain (Yes/ No)	Relevant Web Link
No project was required to be assessed for their impact during the year under any statutory requirement. However, all projects and programs above a value of ₹ 10 lakh are also subjected to an annual financial audit by a third-party auditor as part of a regular financial audit.					

**2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

SN	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In ₹)
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Foseco India Limited is primarily engaged in manufacturing of foundry chemicals and fluxes. However, none of its projects are covered under Rehabilitation and Resettlement (R&R) Act, 2013.

**3 Describe the mechanisms to receive and redress grievances of the community.**

Foseco India Limited also strives for social inclusion and development. Thus, the company has various mechanism to receive and redress the issues, concerns, or grievances of various stakeholders. The CSR Committee undertakes projects which are for the benefit of the communities. HR addresses the grievances of the communities as and when these are brought to them. The details of this redressal mechanisms is disclosed in CSR policy on the website.

**4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Parameter	FY 2022	FY 2021
Directly sourced from MSMEs/ small producers	0.36%	0.13%
Sourced directly from within the district and neighbouring districts	55%	49%

\* Limit of 200 Kms are considered for considering neighbouring districts.

**Leadership Indicators**

**1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
As mentioned in the Question 1 of Essential Indicator the assessment of social impact is not applicable for any project. Thus, the mitigating action for curbing negative social impact is also not applicable.	

**2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

SN	State	Aspirational District	Amount Spent (in ₹)
1	Maharashtra	Pune	76.76 lakh

**3 a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?**

There is no separate procurement policy where preference to purchase from suppliers comprising marginalized /vulnerable groups is mentioned or factored.

**(b) From which marginalized /vulnerable groups do you procure?**

NA

**(c) What percentage of total procurement (by value) does it constitute?**

NA

**4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

SN	Intellectual Property based on traditional Knowledge	Owned/ Acquired (Yes/ No)	Benefit Shared (Yes/ No)	Basis of calculating Benefit Shared.
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During the financial year we have not shared any intellectual properties and thus neither we have derived any benefits from intellectual properties based on traditional knowledge.

**5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of the Authority	Brief of the case	Corrective Action Taken
		The organization ensures to protect the intellectual rights and properties. Thus, during the financial year the entity did not receive any adverse orders from regulatory authorities in intellectual property related disputes.

**6 Details of beneficiaries of CSR Projects:**

SN	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	<b>Biomass Cookstoves:</b> Distributed to needy, poor and deserving Families in remote, tribal and village areas with "Happy Family Kits". The kit consists of Biomass Cook Stove, Dust Bins, Water Filter, Health and Hygiene Kit etc. This was funded by the Company & the Rotary Club in 1:1 proportion.	1100	100%
2	<b>Anand Ashram School</b> in Talegaon Dhamdhere is a residential school for both boys and girls. The project includes:  1. Repairs to school building and classrooms, 2. Building toilets, 3. Repairs to Boarding facilities for boys and girls, 4. Providing infrastructure as required.	200	100%
3	<b>Educational Sholarship-COEP</b> -Sponsor deserving girl students from Department of Metallurgy, Materials Science and Mechanical studying at College of Engineering Pune Technological University Pune (COEP). Financial support was provided to 6 students in an academic year.	6	100%
4	<b>Technology integration in Classrooms</b> -This project has impacted teachers & students every year.	1875	100%
5	<b>Education</b> -Education and Woman Empowerment in association with Rotary and Niramaya Education and Social Foundation.	3500	100%
6	<b>Social Service</b> -Support to SNEHALAYA - an Institute for the Handicapped & Cerebral Palsied Children.  CSR was provided to cover Education and treatment cost. Foseco Employees has counsel them and taught new skills.	50	100%
7	Jehangir Medical Research Institute-Care for Children with Type1 Diabetes	20	100%

\* The number of persons benefitted from the CSR project are considered on the estimation basis provided by management.

**Principle 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

**1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The company has well established global Vesuvius database for logging complaints for existing customers. Customers can lodge complaints to key Account Managers and complaints are resolved in time bound manner on the priority basis as well as the nature of complaints.

**2 Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

Particulars	As a percentage to total turnover
<b>Environmental and social parameters relevant to the Product</b>	
<b>Safe and Responsible Usage</b>	100%
<b>Recycling and/or Safe Disposal</b>	

\*The MSDS (Product Information circular) is circulated along with product which as Environmental parameters, Safe and Responsible Usage and Recycling and/or Safe Disposal details

**3 Number of consumer complaints in respect of the following:**

Particulars	FY 2022	Remarks	FY 2021	Remarks
<b>Data Privacy</b>	0	NA	0	
<b>Advertising</b>	0		0	
<b>Cyber- Security</b>	0		0	
<b>Delivery of Essential Services</b>	0		0	
<b>Restrictive Trade Practices</b>	0		0	
<b>Unfair Trade Practices</b>	0		0	

\* Customers can lodge their complaints to Key Account Managers. The grievances are also reviewed with the motive to identify the root cause to take the immediate action and take the initiative for customer satisfaction.

**4 Details of instances of product recalls on account of safety issues:**

Particulars	Number	Reasons for Recall
<b>Voluntary Recalls</b>	0	Nil
<b>Forced Recalls</b>	0	Nil

**5 Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

The Company's parent organization – Vesuvius, has an adequate framework for multi-annual strategy for maintaining and developing Cyber Security based on best practices and standards. Monitoring of trends and cyber threats is constantly compared with current and multi-year plans supported by appropriate indicators to monitor progress on an ongoing basis. IT Security Strategy and Roadmap is based on ISO 27001 standard and NIST frameworks while the implementation takes place in the area of Preventive, Detective and Corrective controls. Progress has been made in the development of the security monitoring operations. Specialized cybersecurity tools are constantly being introduced and fine-tuned. Great emphasis is placed on user awareness by conducting a series of mandatory Cybersecurity training courses and implementing Phishing Campaigns. In light of the incident mentioned in Point no. 6 below, the Company is looking at how it can improve its Cybersecurity and Incident Handling and Response even further.

There is no defined Policy on cyber security framed by the Company.

**6 Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

During the year ended December 31, 2022, no instances were identified on issues relating to advertising and delivery of essential services, cyber security and data privacy of customers, re-occurrence of instances of product recalls. No penalties were levied or actions were taken by any regulatory authorities on safety of products/services.

A cyber security incident was reported in February 2023. In terms of provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had informed the BSE Limited and the National Stock Exchange of India Limited of the said incident. The incident is handled by the IT Team for recovery of the systems and processes back to normalcy.



## Leadership Indicators

**1 Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

We at Foseco strive for attaining customer faith and loyalty through constant interaction with the customers through offline or online source. The information on products and services of the entity can be accessed at- <https://fosecoindia.com/>

**2 Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

All the products are supplied along with the MSDS which contains the information about safe and responsible usage of the product.

**3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The company has the database of all its customers and informs them of any risks of disruption/discontinuance of services through the customer service team over email and on phone calls.

**4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, The Company displays the product requirements information on packaging as per applicable laws. Typical information on packaging includes Manufacturer Details, Batch No, Dispatch details etc. The customers rated high satisfaction with 1. High Quality consistent products. 2. Offers innovative products. 3. Provide technical services and support. The customers wanted us to improve upon pricing, on time delivery and response time. The initiative has been taken to consider the suggestions of the customers and thus being in constant phase of improvement.

**5 Provide the following information relating to data breaches:**

**A. Number of instances of data breaches along-with impact** - The company had no instances of data breaches during the financial year.

**B. Percentage of data breaches involving personally identifiable information of customers** - Not Applicable

For and on behalf of the Board of Directors

**Ravi Moti Kirpalani**

**Chairperson**

**DIN: 02613688**

Place: Gurgaon

Date: February 27, 2023

**February 27, 2023**  
**The Board of Directors**  
**Foseco India Limited**  
**Sanaswadi,**  
**Pune – 412 208**

**CERTIFICATION BY**  
**CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

In compliance with Regulation 17(8) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 read with Part B of Schedule II, we hereby certify that:-

We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended December 31, 2022, and that to the best of our knowledge and belief:

- (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the aforesaid period which are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware, and that we have taken the required steps to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee that:

- (a) there have been no significant changes in internal control over financial reporting during the year;
- (b) there have been no significant changes in accounting policies during the year and that adequate disclosure have been made in the notes to the financial statements; and
- (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Prasad Chavare**  
**Managing Director &**  
**Chief Executive Officer**

**Mohit Mangal**  
**Chief Financial Officer**

# Independent Auditors' Report

To the Members of Foseco India Limited

Report on the Audit of the Financial Statements

## Opinion

1. We have audited the accompanying financial statements of Foseco India Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the 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, 2022, 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 "Auditors' 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.

## Key audit matters

4. 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.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue Recognition</b></p> <p>Refer Note 1 (d) and 17 to the Financial Statements.</p> <p>The Company recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers".</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 this has been identified as significant risk; and additional disclosures are required to be made in accordance with the applicable accounting standards.</p>	<p>Our testing of revenue transactions was designed to cover a certain sample of customer contracts. Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Understanding, evaluating the design and testing the operating effectiveness of controls over revenue recognition process including contract monitoring, billings and approvals;</li> <li>• Evaluating the contract terms for assessment of the timing of transfer of control to the customer to assess whether revenue is recognised appropriately;</li> <li>• Testing whether the revenue recognition is in line with the terms of customer contracts;</li> <li>• Assessing whether fair value of consideration received, or receivable has been determined appropriately in terms of the customer contract, reviewing customer correspondence and verifying that pre and post year end cut-off had been appropriately applied;</li> <li>• Testing of journal entries for unusual revenue transactions which are not within the normal course of business; and</li> <li>• Evaluating adequacy of the presentation and disclosures</li> </ul> <p>Based on the above procedures, no significant exceptions were noted in revenue recognition including those relating to presentation and disclosures.</p>

## Other Information

5. 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 auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do 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

6. 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.
7. 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.

## Auditors' responsibilities for the audit of the financial statements

8. 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 auditors' 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.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- 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.
  - 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.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - 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 auditors' 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 auditors' report. However, future events or conditions may

cause the Company to cease to continue as a going concern.

- 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.
10. 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.
  11. 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.
  12. 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 auditors' 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

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. 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 the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the 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, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2022, 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 (as amended), in our opinion and to the best of our information and according to the 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 to the financial statements;
  - ii. The Company has long-term contracts for which there were no material foreseeable losses. The Company did not have any derivative contracts as at December 31, 2022.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 37 to the financial statements);

- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 37 to the financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
15. 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: 23109846BGYFKP2058

Place: Pune

Date: February 27, 2023



## Annexure A to Independent Auditors' Report

Referred to in paragraph 14(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, 2022

### 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, 2022 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 ("the Guidance Note") 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 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 auditors' 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.

#### 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 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, 2022, 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 issued by ICAI.

### For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Amit Borkar

Partner

Membership Number: 109846

UDIN: 23109846BGYFKP2058

Place: Pune

Date: February 27, 2023

## Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Foseco India Limited on the financial statements as of and for the year ended December 31, 2022

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment 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 all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 to the financial statements, are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory 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 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the 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 Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Further, the provisions of sub-section (1) of Section 73 are not applicable to the Company as it is a non-banking financial company registered with RBI, engaged in the business of giving loans.
- 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 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, income tax, duty of customs, goods and services 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 sales tax and value added tax as at December 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax	Central Sales Tax	37.39	2016-17	Commercial Tax Office, Puducherry
Central Sales Tax	Central Sales Tax	14.79	2017-18	Commercial Tax Office, Puducherry
Value Added Tax Act	Value Added Tax	0.29	2016-17	Commercial Tax Office, Puducherry
Value Added Tax Act	Value Added Tax	1.28	2017-18	Commercial Tax Office, Puducherry

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) 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, noticed or reported during the year, nor have we been informed of any such case by the Management.

- (b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) 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, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 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 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, (Also refer Note 36 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on

our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor

any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.



# Balance Sheet

as at December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

	Note No	As at December 31, 2022	As at December 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 (a)	3,084.41	3,539.45
Right-of-use-assets	3 (d)	2.52	2.56
Capital work-in-progress	3 (b)	94.03	25.34
Intangible assets	3 (c)	-	-
<b>Financial assets</b>			
A) Loans	4 (a)	14.45	10.10
B) Other financial assets	4 (b)	67.85	41.17
Deferred tax assets	5 (a)	333.75	259.01
Income tax assets (net)	5 (b)	-	129.64
Other non-current assets	6	268.85	6.32
<b>Total non-current assets</b>		<b>3,865.86</b>	<b>4,013.59</b>
<b>Current assets</b>			
Inventories	7	2,001.90	2,256.75
<b>Financial assets</b>			
A) Trade receivables	8	8,514.16	7,419.84
B) Cash and cash equivalents	9 (a)	18,871.02	14,917.79
C) Bank balances other than cash and cash equivalents	9 (b)	50.90	62.86
D) Loans	4 (a)	9.63	10.16
E) Other financial assets	10	477.12	67.38
Income tax assets (net)	5 (b)	-	32.51
Other current assets	11	720.82	665.86
<b>Total current assets</b>		<b>30,645.55</b>	<b>25,433.15</b>
<b>Total Assets</b>		<b>34,511.41</b>	<b>29,446.74</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	12 (a)	638.65	638.65
Other equity	12 (b)	23,262.96	20,228.23
<b>Total Equity</b>		<b>23,901.61</b>	<b>20,866.88</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
A) Other financial liabilities	13	39.75	21.87
Employee benefit obligations	14	56.87	41.16
<b>Total non-current liabilities</b>		<b>96.62</b>	<b>63.03</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
A) Trade Payables	15		
- Total outstanding dues of micro enterprises and small enterprises		0.11	0.49
- Total outstanding dues of creditors other than micro enterprises and small enterprises		8,705.90	7,142.41
B) Other financial liabilities	13	1,119.87	964.54
Employee benefit obligations	14	261.57	220.24
Current tax liabilities	5(b)	131.96	-
Other current liabilities	16	293.77	189.15
<b>Total current liabilities</b>		<b>10,513.18</b>	<b>8,516.83</b>
<b>Total Liabilities</b>		<b>10,609.80</b>	<b>8,579.86</b>
<b>Total Equity and Liabilities</b>		<b>34,511.41</b>	<b>29,446.74</b>

The above Balance Sheet should be read in conjunction with accompanying notes.  
This is the Balance Sheet referred to in our report of even dated

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. 012754N / N500016

**Amit Borkar**  
Partner  
Membership No. 109846

**For and on behalf of the Board of Directors of  
Foseco India Limited**  
Corporate Identification No. L24294PN1958PLC011052

**Ravi Kirpalani**  
Chairperson  
DIN: 02613688

**Prasad Chavare**  
Managing Director and  
Chief Executive Officer  
DIN: 08846863

**Amitabha Mukhopadhyay**  
Director  
DIN: 01806781

**Mohit Mangal**  
Chief Financial Officer

Date: February 27, 2023  
Place: Pune

**Mahendra Dutia**  
Controller of Accounts and Company Secretary  
Place: Sanaswadi, Pune. Date: February 27, 2023

# Statement of Profit and Loss

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

	Note No.	Year Ended December 31, 2022	Year Ended December 31, 2021
<b>Income</b>			
Revenue from operations	17	40,673.51	33,801.11
Other income	18	748.11	561.35
<b>Total Income</b>		<b>41,421.62</b>	<b>34,362.46</b>
<b>Expenses</b>			
Cost of materials consumed	19	21,605.94	18,354.33
Purchases of stock-in-trade	20	1,360.45	1,045.76
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(78.62)	(211.31)
Employee benefit expense	22	4,433.76	3,854.30
Finance costs	23	-	-
Depreciation and amortisation expense	24	890.21	588.18
Other expenses	25	7,076.81	6,398.93
<b>Total expenses</b>		<b>35,288.55</b>	<b>30,030.19</b>
<b>Profit before tax</b>		<b>6,133.07</b>	<b>4,332.27</b>
Tax expense:	5		
Current tax		1,659.00	1,095.00
Deferred Tax charge / (credit)		(70.86)	17.25
Adjustments for current tax of prior years		(51.89)	(47.01)
<b>Total tax expense</b>		<b>1,536.25</b>	<b>1,065.24</b>
<b>Profit for the year</b>		<b>4,596.82</b>	<b>3,267.03</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined employee benefit plan	27	(15.41)	(57.72)
Tax relating to this item	5	3.88	14.53
<b>Other comprehensive income for the year, net of tax</b>		<b>(11.53)</b>	<b>(43.19)</b>
<b>Total comprehensive income for the year</b>		<b>4,585.29</b>	<b>3,223.84</b>
<b>Earnings per share:</b>	26		
Basic and diluted earnings per share (face value ₹ 10 each)		71.98	51.16

The above Statement of Profit and Loss should be read in conjunction with accompanying notes.  
This is the Statement of Profit and Loss referred to in our report of even date

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. 012754N / N500016

**Amit Borkar**  
Partner  
Membership No. 109846

Date: February 27, 2023  
Place: Pune

**For and on behalf of the Board of Directors of  
Foseco India Limited**

Corporate Identification No. L24294PN1958PLC011052

**Ravi Kirpalani**  
Chairperson  
DIN: 02613688

**Amitabha Mukhopadhyay**  
Director  
DIN: 01806781

**Mahendra Dutia**  
Controller of Accounts and Company Secretary  
Place: Sanaswadi, Pune. Date: February 27, 2023

**Prasad Chavare**  
Managing Director and  
Chief Executive Officer  
DIN: 08846863

**Mohit Mangal**  
Chief Financial Officer

# Statement of changes in equity

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## A) Equity Share Capital

Particulars	Notes	Amount
<b>As at December 31, 2020</b>		<b>638.65</b>
Change in equity share capital	12 (a)	-
<b>As at December 31, 2021</b>		<b>638.65</b>
Change in equity share capital	12 (a)	-
<b>As at December 31, 2022</b>		<b>638.65</b>

## B) Other Equity

Particulars	Notes	Reserves & Surplus				Total Amount
		Securities Premium	General Reserve	Retained Earnings	Share Based Payment Reserve	
<b>As at January 01, 2021</b>		<b>1,912.60</b>	<b>3,672.77</b>	<b>12,014.04</b>	<b>35.71</b>	<b>17,635.12</b>
Profit for the year		-	-	3,267.03	-	<b>3,267.03</b>
Other comprehensive income		-	-	(43.19)	-	<b>(43.19)</b>
Dividend paid	12 (b)	-	-	(638.65)	-	<b>(638.65)</b>
Recognition of Share based payment		-	-	-	43.63	<b>43.63</b>
Paid during the year		-	-	-	(35.71)	<b>(35.71)</b>
<b>As at December 31, 2021</b>		<b>1,912.60</b>	<b>3,672.77</b>	<b>14,599.23</b>	<b>43.63</b>	<b>20,228.23</b>

## Other Equity

Particulars	Notes	Reserves & Surplus				Total Amount
		Securities Premium	General Reserve	Retained Earnings	Share Based Payment Reserve	
<b>As at January 01, 2022</b>		<b>1,912.60</b>	<b>3,672.77</b>	<b>14,599.23</b>	<b>43.63</b>	<b>20,228.23</b>
Profit for the year		-	-	4,596.82	-	4,596.82
Other comprehensive income		-	-	(11.53)	-	(11.53)
Dividend paid	12 (b)	-	-	(1,596.61)	-	(1,596.61)
Recognition of Share based payment		-	-	-	89.68	89.68
Paid during the year		-	-	-	(43.63)	(43.63)
<b>As at December 31, 2022</b>		<b>1,912.60</b>	<b>3,672.77</b>	<b>17,587.91</b>	<b>89.68</b>	<b>23,262.96</b>

The above Statement of changes in equity should be read in conjunction with the accompanying notes. This is the Statement of changes in equity referred to in our report of even date

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012574N/ N500016

**Amit Borkar**  
Partner  
Membership No. 109846

Date: February 27, 2023  
Place: Pune

**For and on behalf of the Board of Directors of Foseco India Limited**

Corporate Identification No. (CIN): L24294PN1958PLC011052

**Ravi Kirpalani**  
Chairperson  
DIN: 02613688

**Amitabha Mukhopadhyay**  
Director  
DIN: 01806781

**Mahendra Dutia**  
Controller of Accounts and Company Secretary  
Place: Sanaswadi, Pune. Date: February 27, 2023

**Prasad Chavare**  
Managing Director and  
Chief Executive Officer  
DIN: 08846863

**Mohit Mangal**  
Chief Financial Officer

# Statement of Cash Flows

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Year Ended December 31, 2022	Year Ended December 31, 2021
<b>A. Cash flow from Operating activities</b>		
<b>Profit Before Tax</b>	<b>6,133.07</b>	<b>4,332.27</b>
<b>Adjustments for:</b>		
Depreciation and Amortisation expense	890.21	588.18
(Profit) / Loss on disposal of property, plant and equipment	43.48	(14.09)
Interest Income	(584.02)	(492.85)
Provision for doubtful debts written back (net)	(140.69)	(40.03)
Net foreign exchange (gain) / loss	34.63	(0.81)
Employee share based payment expense	89.68	43.63
<b>Operating profit before working capital changes</b>	<b>6,466.36</b>	<b>4,416.30</b>
<b>Change in operating assets and liabilities</b>		
(Increase) / Decrease in Trade receivables	(988.26)	(889.18)
(Increase) / Decrease in Inventories	254.85	(1,005.82)
(Increase) / Decrease in Other financial assets	(358.64)	43.93
(Increase) / Decrease in Other current assets	(43.00)	(301.55)
Increase / (Decrease) in Trade payables	1,563.11	461.88
Increase / (Decrease) in Other financial liabilities	171.92	216.87
Increase / (Decrease) in Other liabilities	60.99	(118.25)
Increase / (Decrease) in Provisions	57.04	(109.97)
<b>Cash generated from operations *</b>	<b>7,184.37</b>	<b>2,714.21</b>
Income taxes paid (net of refunds)	(1,313.00)	(732.53)
<b>Net cash generated from operating activities (a)</b>	<b>5,871.37</b>	<b>1,981.68</b>
<b>B. Cash flow from Investing activities</b>		
Purchase of property, plant and equipment	(804.83)	(547.03)
Proceeds from sale of property, plant and equipment	-	14.83
Interest received	495.26	484.77
<b>Net cash generated from / (used in) investing activities (b)</b>	<b>(309.57)</b>	<b>(47.43)</b>
<b>C. Cash flow from Financing activities</b>		
Dividend paid	(1,608.57)	(646.48)
<b>Net cash used in financing activities (c)</b>	<b>(1,608.57)</b>	<b>(646.48)</b>
Net Increase in cash and cash equivalents - (A+B+C)	3,953.23	1,287.77
Cash and cash equivalents at the beginning of the year	14,917.79	13,630.02
<b>Cash and cash equivalents at the end of the year</b>	<b>18,871.02</b>	<b>14,917.79</b>

\* Cash flow from operating activities includes ₹ 76.76 lakh (December 31, 2021 ₹ 82.46 lakh) being cash outflow towards Corporate Social Responsibility expense] [Refer note 25(b)]

# Statement of Cash Flows (continued)

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Year Ended December 31, 2022	Year Ended December 31, 2021
<b>Cash and Cash Equivalents comprise of:</b>		
Cash on hand	1.49	1.18
Balances with banks		
- in current accounts	1,504.49	1,062.97
- in EEFC accounts	70.04	43.64
Deposit with maturity of less than three months	17,295.00	13,810.00
	<b>18,871.02</b>	<b>14,917.79</b>

**Notes:**

- a) 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 Flows.
- b) Figures in bracket represent outflow of cash and cash equivalents.

The above statement of cash flows should be read in conjunction with accompanying notes. This is the Statement of Cash Flows referred to in our report of even date

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration No. 012754N / N500016

**Amit Borkar**

Partner

Membership No. 109846

**For and on behalf of the Board of**

**Directors of Foseco India Limited**

Corporate Identity Number (CIN): L24294PN1958PLC011052

**Ravi Kirpalani**

Chairperson

DIN: 02613688

**Prasad Chavare**

Managing Director and

Chief Executive Officer

DIN: 08846863

**Amitabha Mukhopadhyay**

Director

DIN: 01806781

**Mohit Mangal**

Chief Financial Officer

**Mahendra Dutia**

Controller of Accounts and Company Secretary

Place: Sanaswadi, Pune. Date: February 27, 2023

Date: February 27, 2023

Place: Pune

# Notes to the financial statements

for the year ended December 31, 2022

**Background:** Foseco India Limited (“the Company”) is a public limited Company domiciled in India incorporated in March 1958. The Company is engaged in the manufacturing of products used in the metallurgical industry. The products are in the nature of additives and consumables that improve the physical properties and performance of castings. The manufacturing activities are at Sanaswadi, Pune and Puducherry. The Company is listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

## 1. Significant accounting policies:

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the periods presented in the financial statements, unless otherwise stated.

### (a) Basis of accounting and preparation of financial statements

#### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read together with [Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions and amendments of the Act.

#### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities which are measured at fair value;
- Defined benefit plans — plan assets measured at fair value.
- Share based payment transactions.

#### (iii) Current/ Non-current classification

All assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in Schedule III (Division II) of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### (iv) New and amended standards adopted by the Company

The company has applied the following amendments to Ind AS for the first time for

(All amounts in ₹ lakh, unless otherwise stated)

their annual reporting period commencing April 01, 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### (b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the Company’s Managing Director. Refer note 30 for segment information presented.

### (c) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Indian National Rupee (INR), which is the Company’s functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

### (d) Revenue recognition

Ind AS 115 Revenue from Contracts with Customers deals with revenue recognition and establishes principles for reporting useful



# Notes to the financial statements

For the year ended December 31, 2022

information to users of consolidated financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The five-step process must be applied before revenue can be recognised:

- a. Identify contracts with customers
- b. Identify the separate performance obligation
- c. Determine the transaction price of the contract
- d. Allocate the transaction price to each of the separate performance obligations, and
- e. Recognise the revenue as each performance obligation is satisfied

## (i) Revenue from contracts with customers

Revenue is recognized when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Revenue is recognised at point in time when control of goods is transferred to the customer - based on delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above; at an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods 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.

The timing of when the Company transfers the goods may differ from the timing of the customer's payment.

The Company does not expect to have any contracts where the period between the transfer of the goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

## (ii) Revenue from sale of services

The Company generates revenue from sale of foundry chemicals and fluxes and related

(All amounts in ₹ lakh, unless otherwise stated)

support services. Revenue from services is recognised in the accounting period in which the services are rendered.

## (iii) Other operating revenue

Revenue comprising of income from ancillary activities incidental to the operations of the Company is recognized when the right to receive the income is established as per the terms of the contract. Revenue from export incentives majorly comprises of Duty drawback and Merchandise Export Incentive Scheme (MEIS) which are recognised on an accrual basis at specified rates. Refer note 17.

## (iv) Other Income - Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in other income in the Statement of Profit and Loss.

## (e) Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

**Current Income tax:** The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

**Deferred tax:** Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses

# Notes to the financial statements

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## (f) Leases

### As a lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate

is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

### As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

## (g) Impairment of assets (non-financial assets)

Property, Plant and Equipment and Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amounts exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for

# Notes to the financial statements

For the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## (h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

## (i) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

## (j) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Qualifying assets are assets that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the year in which they are incurred.

## (k) Inventories

Inventories are stated at lower of costs and net realizable value. Cost of inventories comprises cost of purchase determined on weighted average basis. Cost of work-in-progress and finished goods comprises of direct materials, direct labour and all manufacturing overheads, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Goods and Service Taxes are excluded from valuation of finished goods.

## (l) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

### (ii) Initial Recognition & Measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Profit and Loss are expensed in the Statement of Profit and Loss.

### (iii) Subsequent Measurement

After initial recognition, financial assets are measured at:

- fair value (either through Other Comprehensive Income or through Profit and Loss), or
- amortized cost

### (iv) Debt instruments

Debt instruments are subsequently measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through Profit and Loss ('FVTPL') till de-recognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in Statement of

# Notes to the financial statements

for the year ended December 31, 2022

Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other income. Interest income from these financial assets is included in other income using the effective interest rate method.
- Fair Value through Profit and Loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is recognised in the Statement of profit and loss.

## (v) Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss. Dividends from such investments are recognized in profit or loss

(All amounts in ₹ lakh, unless otherwise stated)

as other income when the company's right to receive payment is established.

## (vi) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 29 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## (vii) Derecognition of financial assets

A financial asset is derecognized only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows from the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

## (viii) Income recognition

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

## (m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the

# Notes to the financial statements

For the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## (n) Property, plant, and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

### Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro rata basis on the straight-line method over the estimated useful lives of the assets which are in some cases lower than the useful life prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets. The useful lives are based on a technical evaluation. Following are the estimated useful life of various category of assets used:

Assets	Useful life followed by the Management (years)	Useful life prescribed in Schedule II (years)
Factory and Other Building	25	60
Plant & Machinery	3 to 10 years	15
Laboratory Equipment	6-7	10
Office Equipment & Computers	1 to 5	5
Furniture and Fixtures	10	10
Motor Vehicle	4	8

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss within 'Other gain/(losses)(net)'.

## (o) Intangible assets

Intangible assets are stated at acquisition cost net of tax/ duty credits availed, if any, and net of accumulated amortization. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the profit or loss. Intangible assets are amortized on the straight-line method as follows:

Assets	Useful life (Years)
Computer Software	2

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

## (p) Capital work in progress

All expenditure incurred towards tangible assets are accumulated and shown as capital work in progress and not depreciated until such assets are ready and available for commercial use.

## (q) Trade and other payables

These amounts represent amounts due to suppliers of goods purchased and services availed by the Company in the ordinary course of business, prior to the end of financial year which are unpaid. Trade and other payables are unsecured and are presented as current liabilities unless payment is not due within twelve months determined by the Company after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

## (r) Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources will be required to settle the obligations, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each Balance Sheet date and adjusted to reflect current best estimates. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required



# Notes to the financial statements

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed by way of a note to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

## (s) Employee Benefits

### (i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### (ii) Long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The classification of compensated absences into current and non-current as shown in financial statements is as per actuarial valuation report.

### (iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plan - Gratuity
- (b) Defined contribution plans - superannuation fund and provision fund

#### (a) Defined benefit plans - Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### (b) Defined contribution Plans - Superannuation Fund and Provision Fund

The Company contributes on a defined contribution basis to Employees'



# Notes to the financial statements

For the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

Provident Fund and Superannuation Fund. The contributions towards Provident Fund is made to regulatory authorities and contribution towards Superannuation Fund is made to Life Insurance Corporation of India. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. The contributions are recognised as employee benefit expense when they are due.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employer accepts voluntary redundancy in exchange for these benefits. The company recognizes termination benefits in the Statement of Profit and Loss in the year as an expense as and when incurred.

(v) Bonus Plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**(t) Share Based Payments**

Certain employees of the Company receive remuneration for annual incentive in the form of equity instruments given by the Ultimate Holding Company (Vesuvius Plc.) for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognized in the statement of profit and loss with a corresponding increase to the share-based payment reserve, as a component of equity. The equity instruments vest on a straight-line basis. The fair value determined at the grant date is expensed over the vesting period. The Company considers these share-based payments as equity settled and the Company does not bear any risk arising from the movement in the share price. Vesuvius Plc. (ultimate holding company) recharges to the Company certain cost for the share-based payments made/ to be made by them to the Company employees.

**(u) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds

**(v) Dividends**

The Company recognises a liability to make distributions to equity holders when the

distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Corporate laws in India, a distribution is authorised when it is approved by the shareholder.

**(w) Earnings per share**

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all years presented for any share splits and bonus shares issues including for changes effected prior to the authorisation for issue of the financial statements by the Board of Directors.

**(x) Rounding of amounts:**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

**(y) Re-classification consequent to amendments to Schedule III**

Previous year figures in the financial statements and notes have been have re-classified as per the requirement of Schedule III wherever required.

**2. Critical judgments and estimates**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving estimates or judgements are:

- i. Useful lives of property, plant and equipment and intangible assets (Refer note 1 (o), 1 (p) and 3)
- ii. Impairment of Trade Receivables (Refer note 1(j), 1(m)(vi) and 8)
- iii. Defined benefit obligations (Refer note 1(u) and 14)
- iv. Recognition of deferred tax assets (Refer note 1(f) and 5(a))
- v. Current tax expense and income tax receivable (Refer note 1(f) and 5(b))

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

## Notes to the financial statements

For the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

### 3 (a) Property, plant and equipment

Particulars	Gross Block			Closing balance as at December 31, 2022	Depreciation			Net block	
	Opening balance as at January 01, 2022	Additions for the year	Deductions during the year		Opening balance as at January 01, 2022	Charge for the year	Deductions during the year	Closing balance as at December 31, 2022	Closing balance as at December 31, 2022
Freehold land	151.92	-	-	151.92	-	-	-	-	151.92
Factory buildings	744.43	-	-	744.43	197.88	42.29	-	240.17	504.26
Buildings others	281.40	8.74	0.99	289.15	97.81	19.73	0.72	116.82	172.33
Plant and machinery	4,190.40	385.46	567.14	4,008.72	1,631.88	760.22	523.95	1,868.15	2,140.57
Laboratory equipment	70.59	43.94	9.51	105.02	34.71	11.47	9.51	36.67	68.35
Office equipment	56.68	36.89	30.81	62.76	46.88	41.02	30.81	57.09	5.67
Furniture and fixtures	29.16	3.57	2.01	30.72	16.43	4.36	2.00	18.79	11.93
Motor vehicles	44.31	-	-	44.31	3.85	11.08	-	14.93	29.38
<b>Total</b>	<b>5,568.89</b>	<b>478.60</b>	<b>610.46</b>	<b>5,437.03</b>	<b>2,029.44</b>	<b>890.17</b>	<b>566.99</b>	<b>2,352.62</b>	<b>3,084.41</b>

### (b) Capital work-in-progress as at December 31, 2022

Particulars	Opening balance as at January 01, 2022	Additions for the year	Transfer during the year	Closing balance as at December 31, 2022
Capital work-in-progress (refer note 2 below)	25.34	547.29	(478.60)	94.03

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	94.03	-	-	-	94.03

#### Notes:

- Refer to note 31 (b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Capital work-in-progress mainly comprises of Plant and Machinery for the Year 2022.
- The company has not revalued any property, plant and equipment during the year.
- All title deeds of immovable properties are held in the name of company.
- Depreciation charge for the year includes ₹ 124.11 lakh of provision for impairment in respect of certain machines which are proposed to be replaced due to technological obsolescence.
- For capital-work-in progress, there are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

# Notes to the financial statements

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## (c) Intangible Assets as at December 31, 2022

Particulars	Gross Block				Amortisation			Net Block	
	Opening balance as at January 01, 2022	Additions for the year	Deductions during the year	Closing balance as at December 31, 2022	Opening balance as at January 01, 2022	Charge for the year	Deductions during the year	Closing balance as at December 31, 2022	Closing balance as at December 31, 2022
Computer Software	30.74	-	-	30.74	30.74	-	-	30.74	-
<b>Total</b>	<b>30.74</b>	<b>-</b>	<b>-</b>	<b>30.74</b>	<b>30.74</b>	<b>-</b>	<b>-</b>	<b>30.74</b>	<b>-</b>

## (d) Right-of-use assets

### (i) Amounts recognized in balance sheet:

The balance sheet shows the following amounts relating to leases:

Particulars	Closing balance as at December 31, 2022	Closing balance as at December 31, 2021
<b>Right-of-use assets:</b>		
Right-of-use leasehold land		
Gross block	2.76	2.76
Less: Accumulated depreciation	(0.24)	(0.20)
<b>Total</b>	<b>2.52</b>	<b>2.56</b>

### (ii) Amounts recognized in the statement of Profit and Loss

The statement of profit and loss shows the following amounts relating to leases:

Particulars	Year Ended December 31, 2022	Year Ended December 31, 2021
<b>Depreciation charge of right-of-use assets</b>		
Right-of-use leasehold land	0.04	0.04

Total cash outflow for leases for year ended December 31, 2022 was NIL.

## (a) Property, plant and equipment

Particulars	Gross Block				Depreciation			Net block	
	Opening balance as at January 01, 2021	Additions for the year	Deductions during the year	Closing balance as at December 31, 2021	Opening balance as at January 01, 2021	Charge for the year	Deductions during the year	Closing balance as at December 31, 2021	Closing balance as at December 31, 2021
Freehold land	151.92	-	-	151.92	-	-	-	-	151.92
Factory buildings	735.13	9.30	-	744.43	155.68	42.20	-	197.88	546.55
Buildings others	281.40	-	-	281.40	78.21	19.60	-	97.81	183.59
Plant and machinery	3,345.65	1,000.51	155.76	4,190.40	1,285.15	503.03	156.30	1,631.88	2,558.52
Laboratory equipment	69.57	1.02	-	70.59	23.60	11.11	-	34.71	35.88
Office equipment	56.96	-	0.28	56.68	42.40	4.76	0.28	46.88	9.80
Furniture and fixtures	24.43	4.88	0.15	29.16	12.99	3.59	0.15	16.43	12.73
Motor vehicles	5.36	44.31	5.36	44.31	4.08	3.85	4.08	3.85	40.46
<b>Total</b>	<b>4,670.42</b>	<b>1,060.02</b>	<b>161.55</b>	<b>5,568.89</b>	<b>1,602.11</b>	<b>588.14</b>	<b>160.81</b>	<b>2,029.44</b>	<b>3,539.45</b>

# Notes to the financial statements

For the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## (b) Capital work-in-progress as at December 31, 2021

Particulars	Opening balance as at January 01, 2021	Additions for the year	Transfer during the year	Closing balance as at December 31, 2021
Capital work-in-progress (refer note 2 below)	490.72	594.64	(1,060.02)	25.34

Particulars	Ageing of CWIP (Capital work-in-progress)				Total
	Amount in CWIP for a period of				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	25.34	-	-	-	25.34

### Notes:

- 1 Refer to note 31 (b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- 2 Capital work-in-progress mainly comprises of Plant and Machinery for the Year 2021.
- 3 For capital-work-in progress, there are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

## (c) Intangible Assets as at December 31, 2021

Particulars	Gross Block			Amortisation			Net Block		
	Opening balance as at January 01, 2021	Additions for the year	Deductions during the year	Closing balance as at December 31, 2021	Opening balance as at January 01, 2021	Charge for the year	Deductions during the year	Closing balance as at December 31, 2021	Closing balance as at December 31, 2021
Computer Software	30.74	-	-	30.74	30.74	-	-	30.74	-
<b>Total</b>	30.74	-	-	30.74	30.74	-	-	30.74	-

## (d) Right-of-use assets

### (i) Amounts recognized in balance sheet:

The balance sheet shows the following amounts relating to leases:

Particulars	Closing balance as at December 31, 2021	Closing balance as at December 31, 2020
<b>Right-of-use assets:</b>		
Right-of-use leasehold land		
Gross block	2.76	2.76
Less: Accumulated depreciation	(0.20)	(0.16)
<b>Total</b>	<b>2.56</b>	<b>2.60</b>

### (ii) Amounts recognized in the statement of Profit and Loss

The statement of profit and loss shows the following amounts relating to leases:

Particulars	Year Ended December 31, 2021	Year Ended December 31, 2020
<b>Depreciation charge of right-of-use assets</b>		
Right-of-use leasehold land	0.04	0.04

Total cash outflow for leases for year ended December 31, 2021 was NIL.

# Notes to the financial statements

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## 4 (a) Loans

Particulars	As at December 31, 2022	As at December 31, 2021
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Loans to employees	14.45	10.10
<b>Total</b>	<b>14.45</b>	<b>10.10</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Loans to employees	9.63	10.16
<b>Total</b>	<b>9.63</b>	<b>10.16</b>

## (b) Other financial assets

<b>Non-current</b>		
Security deposits	67.85	41.17
<b>Total</b>	<b>67.85</b>	<b>41.17</b>

## 5 (a) Deferred tax assets

The balance of deferred tax comprises temporary differences attributable to:

Deferred tax assets	As at December 31, 2022	As at December 31, 2021
Property, plant and equipment and intangible assets	148.23	56.84
Provision for compensated absences	54.18	42.93
Provision for doubtful debts	40.31	90.41
Other timing differences	91.03	68.83
<b>Total deferred tax assets</b>	<b>333.75</b>	<b>259.01</b>

## Movement in deferred tax assets

Particulars	As at January 01, 2021	(Charged) / credited*	As at December 31, 2021	(Charged) / credited*	As at December 31, 2022
<b>Deferred Tax Assets</b>					
Property, plant and equipment and intangible assets	52.70	4.14	56.84	91.39	148.23
Provision for compensated absences	38.97	3.96	42.93	11.25	54.18
Provision for doubtful debts	100.75	(10.34)	90.41	(50.10)	40.31
Other timing differences	69.31	(0.48)	68.83	22.20	91.03
<b>Total</b>	<b>261.73</b>	<b>(2.72)</b>	<b>259.01</b>	<b>74.74</b>	<b>333.75</b>

\* This amount is charged / (credited) into Statement of profit and loss and Other comprehensive income.

## (b) Income taxes (net)

Particulars	As at December 31, 2022	As at December 31, 2021
<b>Income tax assets (net)</b>		
Opening balance	162.15	524.62
Less: Current tax payable for the year	(1,607.11)	(1,095.00)
Less: Taxes paid (net of refunds)	1,313.00	732.53
Closing balance	<b>(131.96)</b>	<b>162.15</b>

# Notes to the financial statements

For the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	As at December 31, 2022	As at December 31, 2021
<b>Income tax assets (net)</b>		
<b>Current</b>	-	32.51
<b>Non current</b>	-	129.64
<b>Total</b>	-	162.15
<b>Current tax liabilities</b>		
<b>Current</b>	131.96	-
<b>Non current</b>	-	-
<b>Total</b>	131.96	-

The major components of tax expense for the year ended;

Statement of profit and loss	Year ended December 31, 2022	Year ended December 31, 2021
<b>Current income tax charge</b>		
Current income tax		
- Current tax on profit for the year	1,659.00	1,095.00
- Adjustments for current tax of prior years	(51.89)	(47.01)
<b>Total current tax expense</b>	<b>1,607.11</b>	<b>1,047.99</b>
<b>Deferred tax</b>		
Decrease / (increase) in deferred tax assets	(70.86)	17.25
(Decrease) / increase in deferred tax liabilities	-	-
<b>Total deferred tax expense / (credit) to the Statement of profit and loss</b>	<b>(70.86)</b>	<b>17.25</b>
<b>Tax expense reported in the Statement of profit and loss</b>	<b>1,536.25</b>	<b>1,065.24</b>
<b>Other comprehensive income (OCI)</b>		
Tax related to items recognised in OCI during the year	3.88	14.53
<b>Tax expense in OCI</b>	<b>3.88</b>	<b>14.53</b>
<b>Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:</b>		
Profit before tax	6,133.07	4,332.27
Tax at the statutory income tax rate of 25.17%	1,543.69	1,090.43
Adjustment of current tax of prior years	(51.89)	(47.01)
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income	19.32	15.60
Others	25.13	6.22
<b>At the effective tax rate</b>	<b>1,536.25</b>	<b>1,065.24</b>
<b>Tax expense reported in the Statement of profit or loss</b>	<b>1,536.25</b>	<b>1,065.24</b>

## Note

The Company is in the process of updating its documentation in respect of international transactions with associated enterprises as required under section 92E of the Income Tax Act, 1961. The Company's management believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and the provision for tax made as at and for the year ended December 31, 2022 and December 31, 2021.



# Notes to the financial statements

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## 6 Other non current assets

Particulars	As at December 31, 2022	As at December 31, 2021
Unsecured, considered good		
Capital advances	268.85	6.32
<b>Total</b>	<b>268.85</b>	<b>6.32</b>

## 7 Inventories (valued at lower of cost and Net realisable value)

<b>Raw materials</b>		
- In hand	770.98	1,067.22
- In transit	443.81	481.04
<b>Work-in-progress</b>	95.08	101.50
<b>Finished goods</b>		
- In hand	652.04	601.24
- In transit	16.22	4.57
<b>Stock-in-trade</b>	23.77	1.18
<b>Total</b>	<b>2,001.90</b>	<b>2,256.75</b>

Amounts recognized in the statement of profit and loss	Year ended December 31, 2022	Year ended December 31, 2021
Provision for excess and obsolete inventory that were recognized as an expense during the year and included in 'cost of materials consumed' in the Statement of profit and loss.	146.66	73.62

## 8 Trade receivables

Trade receivables from contract with customers	8,380.70	7,578.84
Trade receivables from contract with customers - related parties (refer note 29 (c))	293.63	200.21
Less: Loss allowance	(160.17)	(359.21)
<b>Total</b>	<b>8,514.16</b>	<b>7,419.84</b>
<b>Trade Receivable Security Breakup</b>		
Trade receivables considered good - unsecured	8,674.33	7,779.05
Less: Loss allowance	(160.17)	(359.21)
<b>Total</b>	<b>8,514.16</b>	<b>7,419.84</b>

### Ageing of trade receivables

Particulars	Year	Outstanding for following periods from due date of payment						Total
		Not Due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed trade receivable	2022	7,121.88	1,451.12	-	-	-	-	<b>8,573.00</b>
- Considered good	2021	5,745.65	1,719.79	7.08	-	-	-	<b>7,472.52</b>
Undisputed trade receivables	2022	-	-	-	-	-	-	-
- Considered doubtful	2021	-	-	-	-	-	-	-
Disputed trade receivable	2022	-	-	-	-	-	-	-
- Considered good	2021	-	-	-	-	-	-	-
Disputed trade receivable	2022	-	-	-	-	-	101.33	<b>101.33</b>
- Considered doubtful	2021	-	-	-	-	204.48	102.05	<b>306.53</b>
Loss Allowance	2022	-	(58.84)	-	-	-	(101.33)	<b>(160.17)</b>
	2021	-	(53.03)	-	-	(204.13)	(102.05)	<b>(359.21)</b>
<b>Total</b>	<b>2022</b>	<b>7,121.88</b>	<b>1,392.28</b>	-	-	-	-	<b>8,514.16</b>
	<b>2021</b>	<b>5,745.65</b>	<b>1,666.76</b>	<b>7.08</b>	-	<b>0.35</b>	-	<b>7,419.84</b>

# Notes to the financial statements

For the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## 9 (a) Cash and cash equivalents

Particulars	As at December 31, 2022	As at December 31, 2021
Cash on hand	1.49	1.18
Balances with banks:		
In current accounts	1,504.49	1,062.97
In Exchange Earners Foreign Currency (EEFC) accounts	70.04	43.64
Deposits with maturity of less than three months	17,295.00	13,810.00
<b>Total</b>	<b>18,871.02</b>	<b>14,917.79</b>

## (b) Bank balances other than cash and cash equivalents

<b>In earmarked accounts</b>		
Unclaimed dividend accounts	50.90	62.86
<b>Total</b>	<b>50.90</b>	<b>62.86</b>

## 10 Other financial assets (Current)

<b>Unsecured, considered good</b>		
Receivable from related parties (Refer note 29 (c))	320.98	-
Interest accrued on fixed deposits	156.14	67.38
<b>Total</b>	<b>477.12</b>	<b>67.38</b>

## 11 Other current assets

<b>Unsecured, considered good</b>		
Advance for supply of goods and services	573.97	516.56
Prepayments	145.06	149.30
Export Incentive receivable	0.05	-
Other recoveries	1.74	-
<b>Total</b>	<b>720.82</b>	<b>665.86</b>

## 12 (a) Equity share capital

<b>Authorised equity share capital:</b>		
7,500,000 (Previous year 7,500,000) Equity shares of ₹ 10 each	<b>750.00</b>	<b>750.00</b>
<b>Issued subscribed and fully paid up</b>		
6,386,459 (Previous year 6,386,459) Equity shares of ₹ 10 each fully paid up	<b>638.65</b>	<b>638.65</b>
<b>(i) Reconciliation of number of equity shares</b>		
Shares outstanding at the beginning and end of the year	6,386,459	6,386,459

## (ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting, except in case of interim dividends.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

# Notes to the financial statements

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

**(iii) Number of shares of the Company held by Holding Company/ Ultimate holding Company and/ or their subsidiaries / associates**

Name of the shareholder	As at December 31, 2022	As at December 31, 2021
<b>Immediate holding company</b>		
Foseco Overseas Limited, United Kingdom	3,704,219	3,704,219
<b>Subsidiary of ultimate holding company</b>		
Vesuvius Holdings Limited, United Kingdom	5,44,066	5,44,066
<b>Parent of immediate holding company</b>		
Foseco (UK) Limited, United Kingdom	5,40,560	5,40,560

**(iv) Details of shareholders holding more than 5% of shares in the Company**

Name of the shareholder	As at December 31, 2022		As at December 31, 2021	
	% holding	No. of shares	% holding	No. of shares
Foseco Overseas Limited, United Kingdom Immediate Holding Company	58.00%	3,704,219	58.00%	3,704,219
Vesuvius Holdings Limited, United Kingdom Subsidiary of Ultimate Holding Company	8.52%	544,066	8.52%	544,066
Foseco (UK) Limited, United Kingdom Parent of Immediate Holding Company	8.46%	540,560	8.46%	540,560
Karibu Limited, United Kingdom	11.48%	733,226	11.48%	733,226

**(v) Details of shares held by promoters at the end of the year**

Promoter Name	As at December 31, 2022			As at December 31, 2021		
	No of Shares Held	% of Total Shares	% Change During the Year	No of Shares Held	% of Total Shares	% Change During the Year
Foseco Overseas Limited, United Kingdom	3,704,219	58.00%	0%	3,704,219	58.00%	0%
Vesuvius Holdings Limited, United Kingdom	544,066	8.52%	0%	544,066	8.52%	0%
Foseco (UK) Limited, United Kingdom	540,560	8.46%	0%	540,560	8.46%	0%

A The Company has not issued any bonus shares in 5 years immediately preceding the year ended December 31, 2022.

B) There were no shares bought back nor allotted either as fully paid-up bonus shares or under any contract during five years immediately preceding the year ended December 31, 2022.

C) The company has not issued shares for consideration other than cash.

**(b) Other equity**

Particulars	As at December 31, 2022	As at December 31, 2021
<b>Reserves and surplus</b>		
Securities premium (Refer note i below)	1,912.60	1,912.60
General reserve (Refer note ii below)	3,672.77	3,672.77
Retained earnings (Refer note iii below)	17,587.91	14,599.23
Share based payment reserve (Refer note 28)	89.68	43.63
<b>Total</b>	<b>23,262.96</b>	<b>20,228.23</b>

**(i) Securities premium account**

Securities premium account is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of the Companies Act, 2013.

# Notes to the financial statements

For the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## (ii) General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

## (iii) Retained earnings

	As at December 31, 2022	As at December 31, 2021
Opening balance	14,599.23	12,014.04
Add: Profit for the year	4,596.82	3,267.03
<b>Profit available for appropriation</b>	<b>19,196.05</b>	<b>15,281.07</b>
Items of other comprehensive income recognised directly in retained earnings		
Less: Re-measurement of post employment benefit obligation (net of tax)	(11.53)	(43.19)
	<b>(11.53)</b>	<b>(43.19)</b>
<b>Less: appropriations</b>		
Final dividend for the Year 2021 ₹ 25/- Previous financial year 2020 - ₹ 10/-)	1,596.61	638.65
	<b>1,596.61</b>	<b>638.65</b>
<b>Closing balance</b>	<b>17,587.91</b>	<b>14,599.23</b>

## 13 Other financial liabilities

<b>Non-current</b>		
Payable to employees	23.00	5.12
Deposit for leasehold land (Refer note below)	16.75	16.75
<b>Total</b>	<b>39.75</b>	<b>21.87</b>

### Note:

This amount has been received with respect to the agreement for leasehold land at Chinchwad.

<b>Current</b>		
Payable to Non-executive Directors	21.70	24.71
Unclaimed dividends (Refer note below)	50.90	62.86
Payable to employees	516.29	425.25
Deposits from customers	12.00	12.00
Payable to related parties (Refer note 29 (c))	451.80	385.79
Payable towards Capital Expenditure	67.18	53.93
<b>Total</b>	<b>1,119.87</b>	<b>964.54</b>

### Note:

There is no amount due and outstanding as on December 31, 2022 to be credited to Investor Education and Protection fund u/s 125 of the Companies Act, 2013.

## 14 Employee benefit obligations

<b>Non-current</b>		
Provision for compensated absences (Refer note 27)	56.87	41.16
<b>Total</b>	<b>56.87</b>	<b>41.16</b>
<b>Current</b>		
Provision for compensated absences (Refer note 27)	158.41	129.41
Provision for gratuity (Refer note 27)	103.16	90.83
<b>Total</b>	<b>261.57</b>	<b>220.24</b>

# Notes to the financial statements

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## 15 Trade payables

Particulars	As at December 31, 2022	As at December 31, 2021
Total outstanding dues of micro and small enterprises	0.11	0.49
Total outstanding dues of creditors other than micro and small enterprises		
- acceptances	2,186.65	1,395.22
- payables to others	6,247.18	5,387.54
- payables to related parties (Refer note 29 (c))	272.07	359.65
<b>Total</b>	<b>8,706.01</b>	<b>7,142.90</b>

### Ageing of trade payables

Particulars	Year	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Micro, small and medium enterprises	2022	0.11	-	-	-	-	<b>0.11</b>
- Non disputed	2021	0.49	-	-	-	-	<b>0.49</b>
Micro, small and medium enterprises	2022	-	-	-	-	-	-
- Disputed	2021	-	-	-	-	-	-
Others - Non disputed	2022	4,438.57	3,997.97	186.11	24.40	58.85	<b>8,705.90</b>
	2021	3,720.53	3,317.59	44.67	42.87	16.75	<b>7,142.41</b>
Others - Disputed	2022	-	-	-	-	-	-
	2021	-	-	-	-	-	-
<b>Total</b>	<b>2022</b>	<b>4,438.68</b>	<b>3,997.97</b>	<b>186.11</b>	<b>24.40</b>	<b>58.85</b>	<b>8,706.01</b>
	<b>2021</b>	<b>3,721.02</b>	<b>3,317.59</b>	<b>44.67</b>	<b>42.87</b>	<b>16.75</b>	<b>7,142.90</b>

### Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

The Company has certain dues payable to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The information as required to be disclosed under MSMED Act has been determined to the extent such parties have been identified on the basis of information available with the Company.

Dues payable to micro and small enterprises as at	December 31, 2022	December 31, 2021
a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.11	0.49
b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
d) Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
e) Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
f) Interest due and payable towards suppliers registered under MSMED Act, for payment already made	-	-
g) Interest accrued and remaining unpaid at the end of each accounting year	-	-
h) Further interest remaining due and payable for earlier years	-	-

## 16 Other current liabilities

- Statutory dues payable	293.77	189.15
<b>Total</b>	<b>293.77</b>	<b>189.15</b>

# Notes to the financial statements

For the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## 17 Revenue from operations

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Revenue from contracts with customers		
- Sale of products (manufactured and traded goods)	40,582.67	33,732.37
- Sale of services	4.35	2.71
Other operating revenue		
- Sale of scrap, deteriorated raw material and packing material	25.70	40.68
- Export Incentive	60.79	25.35
<b>Total</b>	<b>40,673.51</b>	<b>33,801.11</b>

### (a) Revenue from contracts with customers disaggregated on the basis of geographical regions:

Domestic	37,999.75	31,613.45
Export	2,587.27	2,121.63
<b>Total</b>	<b>40,587.02</b>	<b>33,735.08</b>

### (b) Reconciliation of revenue with contract price:-

Revenue as per Statement of Profit and Loss	40,587.02	33,735.08
Add: Incentive/rebates/discounts etc.	-	-
<b>Contract price</b>	<b>40,587.02</b>	<b>33,735.08</b>

## 18 Other income

Interest income		
- on bank deposits	583.65	312.48
- from income tax authorities	0.37	180.37
Provisions no longer required, written back	140.69	40.03
Profit on disposal of property, plant and equipment	-	14.09
Other miscellaneous income	23.40	14.38
<b>Total</b>	<b>748.11</b>	<b>561.35</b>

## 19 Cost of materials consumed

Raw materials consumed		
Opening stock	1,548.26	753.75
Add: Purchases (net)	21,272.47	19,148.84
	22,820.73	19,902.59
Less: Closing stock	1,214.79	1,548.26
<b>Total</b>	<b>21,605.94</b>	<b>18,354.33</b>

## 20 Purchase of stock-in-trade

Purchases of stock in trade	1,360.45	1,045.76
<b>Total</b>	<b>1,360.45</b>	<b>1,045.76</b>

## 21 Changes in inventories of finished foods, work-in- progress and stock-in-trade

<b>Opening inventory</b>	605.81	410.86
- Finished goods	101.50	78.30
- Work in progress	1.18	8.02
- Stock in trade	<b>708.49</b>	<b>497.18</b>
<b>Less: closing inventory</b>	668.26	605.81
- Finished goods	95.08	101.50
- Work in progress	23.77	1.18
- Stock - in - trade	<b>787.11</b>	<b>708.49</b>
<b>Total</b>	<b>(78.62)</b>	<b>(211.31)</b>



# Notes to the financial statements

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## 22 Employee benefits expense

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Salaries, wages and bonus	3,725.70	3,208.08
Employee share based payments expense (Refer note 28)	89.68	43.63
Contributions to provident and other funds (Refer note 27)	270.09	232.46
Gratuity (Refer note 27)	119.16	82.05
Staff welfare expenses	229.13	288.08
<b>Total</b>	<b>4,433.76</b>	<b>3,854.30</b>

## 23 Finance costs

Other borrowing costs	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 24 Depreciation and amortisation expense

Depreciation on property, plant and equipment	890.17	588.14
Depreciation of right-of-use asset	0.04	0.04
<b>Total</b>	<b>890.21</b>	<b>588.18</b>

## 25 Other expenses

Consumption of stores and spares	80.40	64.98
Power and fuel	968.94	790.36
Repairs and maintenance		
- Buildings	101.64	62.16
- Machinery	542.14	634.31
Processing charges	166.27	162.63
Freight and forwarding charges	1,118.18	1,015.69
Rates and taxes	55.36	70.95
Insurance	152.77	92.52
Travelling and conveyance	510.23	234.31
Legal and professional charges	506.86	538.53
Directors' Sitting fees	20.70	26.10
Payment to auditors (refer note 25 (a) below)	56.84	52.62
Foreign exchange fluctuation loss (net)	34.63	34.82
Loss on sale of property, plant and equipment	43.48	-
Bad debts written off	58.35	1.05
Less: Withdrawn from provision	(58.35)	(1.05)
	-	-
Software maintenance charges	26.68	23.02
Royalty	1,834.43	1,502.82
Consultancy service fees	368.92	706.51
Commission to Non Whole Time Directors	21.70	23.16
Corporate social responsibility expenditures (refer note 25 (b) below)	76.76	82.46
Advertising	89.52	10.76
Telephone charges	15.90	17.11
Bank charges	16.85	21.24
Safety & security expenses	146.59	145.70
Printing and stationery	21.49	19.17
Miscellaneous expenses	99.53	67.00
<b>Total</b>	<b>7,076.81</b>	<b>6,398.93</b>

# Notes to the financial statements

For the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## (a) Payment to auditors

	December 31, 2022	December 31, 2021
<b>As auditor</b>		
Statutory audit fees	30.65	28.00
Tax audit fees	7.64	7.00
Fees for limited reviews	11.46	10.50
<b>In other capacity</b>		
Other audit services	7.00	7.00
Reimbursement of expenses	0.09	0.12
<b>Total</b>	<b>56.84</b>	<b>52.62</b>

## (b) Corporate social responsibility expenditures

Amount Required to be spent by the company during the Year	76.76	82.46
Amount of expenditure incurred	76.76	82.46
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Accrual towards unspent obligations in relation to:		
Ongoing project	-	-
Other than ongoing projects	-	-
Nature of CSR Activities		
i) Health care programs	35.00	15.00
ii) Educational support	20.76	39.45
iii) On purposes other than above	21.00	28.01
<b>Total</b>	<b>76.76</b>	<b>82.46</b>

## 26 Earnings per share (EPS)

Profit attributable to the Equity shareholders of the Company	4,596.82	3,267.03
Weighted average number of Equity shares	6,386,459	6,386,459
Face value of Equity share (in ₹)	10.00	10.00
Basic and Diluted earnings per Equity share (in ₹)	71.98	51.16

Note: the Company does not have outstanding diluted potential Equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.

## 27 Provision for Compensated Absences and Gratuity

### a Long term employee benefit obligations

#### Compensated absences

The Compensated absences covers the liability for privilege leave. The classification of compensated absences into current and noncurrent is based on the report of independent actuary prepared for the year ended December 31, 2022.

### b Post employment obligations

#### (i) Defined Contribution Plan

The Company also has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% and towards superannuation fund at the rate of 15% of basic salary as per regulations. The contributions are made to registered provident fund administered by the central government, superannuation trust administered through Life Insurance Corporation of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

# Notes to the financial statements

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

The Company has recognised the following amounts which are defined contribution plans in the Statement of Profit and Loss.

Particulars	Year ended December 31, 2022	Year ended December 31, 2021
Provident Fund	166.14	130.48
Superannuation Scheme	103.95	101.98
<b>Total</b>	<b>270.09</b>	<b>232.46</b>

## (ii) Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Scheme) covering certain categories of employees. The Gratuity Scheme provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to the fund managed by the Life Insurance Corporation of India (LIC), under this plan the settlement obligation remains with the Company. The Company does fully fund the liability based on estimations of expected gratuity valuation provided by the Actuary.

### I The amounts recognised in Balance sheet and movements in the Net benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>Opening Balance as at January 01, 2021</b>	<b>1,024.16</b>	<b>(866.99)</b>	<b>157.17</b>
Current service cost	80.69	-	80.69
Interest expense/(income)	54.36	(53.00)	1.36
<b>Total amount recognised in statement of profit or loss</b>	<b>135.05</b>	<b>(53.00)</b>	<b>82.05</b>
Return on plan assets	-	(9.70)	(9.70)
(Gain)/loss from experience changes	56.58	-	56.58
(Gain)/loss from change in demographic assumptions	8.81	-	8.81
(Gain)/loss from change in financial assumptions	2.03	-	2.03
<b>Total amount recognised in Other Comprehensive Income</b>	<b>67.42</b>	<b>(9.70)</b>	<b>57.72</b>
Employer contributions	-	(206.11)	(206.11)
Benefits paid	(236.24)	236.24	-
<b>Closing Balance as at December 31, 2021</b>	<b>990.39</b>	<b>(899.56)</b>	<b>90.83</b>
<b>Recognised as under:</b>			
Non Current Provision (Refer note 14)			-
Current Provision (Refer note 14)			90.83
<b>Opening Balance as at January 01, 2022</b>	<b>990.39</b>	<b>(899.53)</b>	<b>90.86</b>
Current service cost	119.23	-	119.23
Interest expense/(income)	62.96	(63.03)	(0.07)
<b>Total amount recognised in statement of profit or loss</b>	<b>182.19</b>	<b>(63.03)</b>	<b>119.16</b>
Return on plan assets	-	1.36	1.36
(Gain)/loss from experience changes	(0.30)	-	(0.30)
(Gain)/loss from change in demographic assumptions	(43.75)	-	(43.75)
(Gain)/loss from change in financial assumptions	58.10	-	58.10
<b>Total amount recognised in Other Comprehensive Income</b>	<b>14.05</b>	<b>1.36</b>	<b>15.41</b>
Employer contributions	-	(122.27)	(122.27)
Benefits paid	(43.64)	43.64	-
<b>Closing Balance as at December 31, 2022</b>	<b>1,142.99</b>	<b>(1,039.83)</b>	<b>103.16</b>
<b>Recognised as under:</b>			
Non Current Provision (Refer note 14)			-
Current Provision (Refer note 14)			103.16

# Notes to the financial statements

For the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## II The net liability disclosed above relates to funded plans are as follows:

Particulars	December 31, 2022	December 31, 2021
Present value of funded obligation	1,142.99	990.39
Fair value of plan assets	(1,039.83)	(899.56)
<b>Deficit</b>	<b>103.16</b>	<b>90.83</b>

## III Significant estimates

The significant actuarial assumptions were as follows:

Discount rate	7.50%	6.50%
Salary growth rate	10.50%	9.0% [Year1], 8.5% [Others]
Attrition rate	12.0%	9.0%
Expected rate of return on plan assets	6.50%	6.00%
Normal retirement age	60	60
Mortality table	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

## IV Sensitivity of actuarial assumptions

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	Impact on defined benefit obligation	
	December 31, 2022	December 31, 2021
<b>Discount rate</b>		
1 % increase	(67.32)	(61.48)
1 % decrease	75.39	69.42
<b>Salary growth rate</b>		
1 % increase	65.39	61.32
1 % decrease	(60.13)	(55.60)
<b>Attrition rate</b>		
1 % increase	(13.58)	(9.81)
1 % decrease	14.95	10.82

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

## V Projected benefits payable from the fund in future years from the date of reporting:

Particulars	December 31, 2022	December 31, 2021
Less than a year	114.45	81.21
Between 1 to 2 years	140.36	79.25
Between 2 to 5 years	335.79	272.20
Over 5 years	400.48	351.79
<b>Total</b>	<b>991.08</b>	<b>784.45</b>

The weighted duration of the defined benefit obligation is 7 years

# Notes to the financial statements

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## VI The major categories of plan assets are as follows:

Particulars	December 31, 2022	December 31, 2021
Funds managed by insurer	100%	100%

## VII Risk Exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

### Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields. If plan assets underperform this yield, this will create a deficit. All plan assets are maintained in a trust fund managed by a public sector insurer i.e., LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence, 100% liquidity is ensured. Also, interest rate and inflation risk are taken care of.

### Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in yield in the value of the plans' bond holdings.

### Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in higher present value of liabilities. Further, unexpected salary increases provided at the discretion of the management may lead to uncertainties in estimating this increasing risk.

### Asset-Liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements as it has adopted asset-liability management approach.

## (iii) Compensated absences

The leave obligations cover the Company's liability for earned leave which are as follows:

Particulars	December 31, 2022	December 31, 2021
Current leave obligations expected to be settled within the next 12 months	158.41	129.41

## 28 Share Based Payments – Medium Term Plan

### (a) Employee option plan

Vesuvius Plc. (Ultimate Holding Company) may grant restricted stock awards to certain employees of the Company under its stock incentive plan

Restricted Stock Units - Restricted stock unit (RSU) awards entitle the holder to receive equity instruments of the Ultimate Holding Company which is equal to the annual incentive plan (AIP) amount which the employee is entitled to receive. RSUs become fully vested over a vesting period of two years from the date of grant. Options are granted under the plan for no consideration and do not carry dividend and voting rights till the RSUs become fully vested.

# Notes to the financial statements

For the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

Set out below is a summary of options granted under the plan:

Particulars	December 31, 2022	
	Average exercise price per share option (GBP)	Number of options
Opening balance		9,518
Granted during the year *	NA	22,805
Vested and issued during the year	-	-
Forfeited during the year	-	-
Expired during the year	-	-
<b>Closing balance</b>		<b>32,323</b>
Vested and exercisable		-

Particulars	December 31, 2021	
	Average exercise price per share option (GBP)	Number of options
Opening balance		1,073
Granted during the year *	NA	9,801
Vested and issued during the year	-	-
Forfeited during the year	-	(1,356)
Expired during the year	-	-
<b>Closing balance</b>		<b>9,518</b>
Vested and exercisable		-

\* These RSU's are issued in lieu of incentive payable to the Senior Management Employees against which they are not required to make any payment.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry date	Exercise price (GBP)	Share options December 31, 2022
November 24, 2022	NA	NA	22,805
<b>Total</b>			<b>22,805</b>

Weighted average remaining contractual life of options outstanding at end of the period NA

Grant Date	Expiry date	Exercise price (GBP)	Share options December 31, 2022
December 11, 2021	NA	NA	9,518
<b>Total</b>			<b>9,518</b>

Weighted average remaining contractual life of options outstanding at end of the period NA

### Fair value of options granted:

The fair value at grant date of options granted during the year ended December 31, 2022 was GBP 4.02 per RSU (December 31, 2021 was GBP 4.45 per RSU). The equivalent fair value in ₹ for the year ended December 31, 2022 was ₹ 401.85 per RSU (December 31, 2021 was ₹ 446.82 per RSU) The fair value at grant date is determined using the average middle market price of an ordinary share of GPB 10p in the capital of Vesuvius Plc for the 5 trading days immediately prior to the date of grant.

### (b) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	December 31, 2022	December 31, 2021
Employee share based payment expense	89.68	43.63
<b>Total employee share-based payment expense</b>	<b>89.68</b>	<b>43.63</b>



# Notes to the financial statements

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## 29 Related party transactions

### (a) Name of the related parties and nature of relationship

#### I) Name of Related Party Where Control Exists

- |   |   |                                       |
|---|---|---------------------------------------|
| 1 | Vesuvius Plc., United Kingdom           | - Ultimate Holding Company            |
| 2 | Foseco (U.K.) Limited, United Kingdom   | - Parent of Immediate Holding Company |
| 3 | Foseco Overseas Limited, United Kingdom | - Immediate Holding Company           |

#### II) Names of Related Parties with whom transactions were carried out for the Financial year ended December 31, 2022

##### i. Fellow Subsidiaries:

- 1 Foseco (Thailand) Limited
- 2 Foseco International Limited, United Kingdom
- 3 Foseco Japan Limited
- 4 Foseco Korea Limited
- 5 Foseco Nederland BV.
- 6 PT Foseco Trading Indonesia
- 7 PT. Foseco Indonesia
- 8 Vesuvius Australia Pty Limited
- 9 Vesuvius Emirates (FZE), Dubai
- 10 Vesuvius Foundry Technologies (Jiangsu) Company Limited, China
- 11 Vesuvius GmbH, Germany
- 12 Vesuvius Inc., USA
- 13 Vesuvius UK Limited, United Kingdom
- 14 Vesuvius Holdings Limited, United Kingdom
- 15 Vesuvius Malaysia Sdn. Bhd.
- 16 Vesuvius Management Services Limited, United Kingdom
- 17 Vesuvius Vietnam Company Limited
- 18 Vesuvius India Limited
- 19 Vesuvius Sp. z o.o., Poland

##### ii. Key Management Personnel (KMP) as per Indian Accounting Standard (Ind AS) 24, Related Party Disclosures

Name	Designation
1 Mr. Ravi Kirpalani	Director and Chairperson
2 Mr. Prasad Chavare	Managing Director and Chief Executive Officer
3 Mr. Amitabha Mukhopadhyay	Director
4 Mr. Guy Young	Director
5 Ms. Anita Belani	Director
6 Ms. Karena Cancilleri	Director
7 Mr. Mohit Mangal	Chief Financial Officer*
8 Mr. Mahendra Kumar Dutia	Controller of Accounts and Company Secretary*

\* (As per section 2 (51) of The Companies Act, 2013)

##### iv. Post employment benefit plan of Foseco India Limited

- 1 Foseco India Limited Employees Gratuity Fund (Refer note 27 for contribution made)
- 2 Foseco India Limited Superannuation Scheme administered through Life Insurance Corporation of India (Refer note 27 for contribution made)

# Notes to the financial statements

For the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

**(b) Transactions with related parties during the year ended;**

Sr. Name of the Party and nature of transaction	December 31, 2022	December 31, 2021
<b>i) Immediate Holding Company</b>		
<b>1 Foseco Overseas Limited, United Kingdom</b>		
Dividends	926.05	370.42
<b>ii) Parent of Immediate Holding Company</b>		
<b>1 Foseco (U.K.) Limited, United Kingdom</b>		
Dividends	135.14	54.06
<b>iii) Ultimate Holding Company</b>		
<b>1 Vesuvius Plc., United Kingdom</b>		
Reimbursement of Services Rendered	11.82	-
<b>iv) Subsidiary of Ultimate Parent Company</b>		
<b>1 Vesuvius Holdings Limited, United Kingdom</b>		
Dividends	136.02	54.41
Reimbursement of Services Received	43.96	28.94
<b>iv) Fellow Subsidiaries</b>		
<b>1 Foseco International Limited, United Kingdom</b>		
Royalty	1,834.43	1,502.82
Reimbursement of Services Rendered	11.88	2.12
<b>2 Foseco (Thailand) Limited</b>		
Export of Finished Goods	281.09	262.39
<b>3 Foseco Korea Limited</b>		
Export of Finished Goods	161.54	0.52
Import of Raw Materials	0.27	131.71
<b>4 Vesuvius LLC, Russia</b>		
Export of Finished Goods	-	0.35
<b>5 Foseco Industrial e-Commercial Ltda., Brazil</b>		
Import of Raw Materials	-	4.63
<b>6 Foseco Japan Limited</b>		
Export of Finished Goods	2.71	3.43
Import of Raw Materials	257.06	346.67
<b>7 Foseco Nederland BV.</b>		
Export of Finished Goods	-	2.60
Import of Raw Materials	11.18	-
Reimbursement of Services Received	-	8.00
<b>8 PT Foseco Trading Indonesia</b>		
Export of Finished Goods	194.34	179.72
<b>9 Foseco Golden Gate Co. Limited, Taiwan</b>		
Export of Finished Goods	-	0.54
<b>10 Vesuvius Advanced Ceramics (China) Company Limited</b>		
Import of Raw Materials	-	1.87

# Notes to the financial statements

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

Sr. Name of the Party and nature of transaction	December 31, 2022	December 31, 2021
<b>11 Vesuvius UK Limited, United Kingdom</b>		
Import of Raw Materials	391.68	441.51
Reimbursement of Services Received	0.27	-
<b>12 Vesuvius Inc., USA</b>		
Import of Raw Materials	201.84	155.82
<b>13 Vesuvius GmbH, Germany</b>		
Import of Raw Materials	134.94	327.98
Reimbursement of Services Received	-	14.50
<b>14 Vesuvius Malaysia Sdn. Bhd.</b>		
Export of Finished Goods	172.29	126.03
<b>15 Vesuvius Group SA, Belgium</b>		
Reimbursement of Services Rendered	-	4.53
<b>16 Vesuvius Emirates (FZE), Dubai</b>		
Export of Finished Goods	838.05	783.12
<b>17 PT. Foseco Indonesia</b>		
Reimbursement of Services Rendered	0.13	-
<b>18 Vesuvius Foundry Technologies (Jiangsu) Company Limited, China</b>		
Export of Finished Goods	808.75	474.12
<b>19 Vesuvius Australia Pty Limited</b>		
Export of Finished Goods	-	0.19
Reimbursement of Services Received	1.98	2.23
<b>20 Vesuvius Sp. z o.o., Poland</b>		
Reimbursement of Services Rendered	0.17	-
<b>21 Vesuvius Foundry Products (Suzhou) Company Limited, China</b>		
Import of Raw Materials	-	3.38
<b>22 Vesuvius Vietnam Company Limited</b>		
Export of Finished Goods	9.89	22.87
<b>23 Vesuvius Management Services Limited, United Kingdom</b>		
Reimbursement of Services Rendered	45.22	4.07
Reimbursement of Services Received	34.46	23.03
Consultancy Service Fees	368.92	706.51
<b>24 Vesuvius India Limited</b>		
Sale of Finished Goods	203.19	126.19
Reimbursement of Services Rendered	12.00	12.00
<b>v) Key Management Personnel Compensation</b>		
Remuneration paid including perquisites	433.57	459.57
Post employment benefits	52.75	49.98
Directors sitting fees	20.70	26.10
Commission paid	23.16	21.70

#### Terms and conditions:

- All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
- All related party transactions entered during the year were in ordinary course of business and on arms length basis.

# Notes to the financial statements

For the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## Summary of Related Party Transactions other than remuneration to Key Management Personnel for financial year ended December 31, 2022

Sr. No.	Nature of transaction	Immediate Holding Company	Subsidiaries of Ultimate Parent Company	Fellow Subsidiaries	Total
1	Import of Raw Materials	-	-	996.97	996.97
2	Export of Finished Goods	-	-	2,468.66	2,468.66
3	Sale of Finished Goods	-	-	203.19	203.19
4	Reimbursement of Services Rendered	-	-	81.22	81.22
5	Reimbursement of Services Received	-	43.96	36.71	80.67
6	Dividends*	926.05	271.16	-	1,197.21
7	Royalty	-	-	1,834.43	1,834.43
8	Consultancy Service Fees	-	-	368.92	368.92
	<b>Total</b>	<b>926.05</b>	<b>315.12</b>	<b>5,990.10</b>	<b>7,231.27</b>

\* The above figure represents final dividend for the year 2021 paid during the year ended December 31, 2022.

## Summary of Related Party Transactions other than remuneration to Key Management Personnel for financial year ended December 31, 2021

Sr. No.	Nature of transaction	Immediate Holding Company	Subsidiaries of Ultimate Parent Company	Fellow Subsidiaries	Total
1	Import of Raw Materials	-	-	1,413.57	1,413.57
2	Export of Finished Goods	-	-	1,855.88	1,855.88
3	Sale of Finished Goods	-	-	126.19	126.19
4	Reimbursement of Services Rendered	-	-	22.72	22.72
5	Reimbursement of Services Received	-	28.94	47.76	76.70
6	Dividends*	370.42	108.47	-	478.89
7	Royalty	-	-	1,502.82	1,502.82
8	Consultancy Service Fees	-	-	706.51	706.51
	<b>Total</b>	<b>370.42</b>	<b>137.41</b>	<b>5,675.45</b>	<b>6,183.28</b>

\* The above figure represents final dividend for the year 2020 paid during the year ended December 31, 2021.

### (c) Outstanding balances from sale / rendering of services and purchase of goods / receipt of services

Name of the Company	December 31, 2022	December 31, 2021
<b>i) Trade Receivables (refer note 8)</b>		
1 Vesuvius Emirates (FZE), Dubai	27.83	90.66
2 PT Foseco Trading Indonesia	17.31	13.21
3 Vesuvius Foundry Technologies (Jiangsu) Company Limited, China	248.49	73.17
4 Vesuvius Korea Limited	-	12.94
5 Vesuvius Vietnam Company Limited	-	10.23
<b>Total (a)</b>	<b>293.63</b>	<b>200.21</b>
<b>ii) Other Receivables (refer note 10)</b>		
1 Vesuvius Management Services Limited, United Kingdom	305.08	-
2 Vesuvius Plc., United Kingdom	12.12	-
3 Foseco International Limited, United Kingdom	3.78	-
<b>Total (b)</b>	<b>320.98</b>	<b>-</b>
<b>Grand Total (a+b)</b>	<b>614.61</b>	<b>200.21</b>

# Notes to the financial statements

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

Name of the Company	December 31, 2022	December 31, 2021
<b>i) Trade Payables (refer note 15)</b>		
1 Foseco Japan Limited	60.90	75.03
2 Foseco Nederland BV.	1.50	5.05
3 Vesuvius GmbH, Germany	10.81	121.19
4 Vesuvius UK Limited, United Kingdom	113.58	87.86
5 Vesuvius Inc., USA	57.85	66.71
6 Vesuvius India Limited	27.43	0.26
7 Vesuvius Group SA, Belgium	-	0.16
8 Vesuvius Foundry Products (Suzhou) Company Limited, China	-	3.39
<b>Total (a)</b>	<b>272.07</b>	<b>359.65</b>
<b>ii) Other Payables (refer note 13)</b>		
1 Foseco International Limited, United Kingdom	423.12	351.65
2 Vesuvius Management Services Limited, United Kingdom	28.68	4.48
3 Vesuvius Holdings Limited, United Kingdom	-	29.66
<b>Total (b)</b>	<b>451.80</b>	<b>385.79</b>
<b>Grand Total (a+b)</b>	<b>723.87</b>	<b>745.44</b>

## 30 Segment Reporting

### (a) Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker. The Managing Director has been identified as the Chief operating decision maker (CODM).

The Company operates in only one business segment i.e. manufacturing and trading of metallurgical products and services. This is the principal activity for the Company. The segment revenue is measured in the same way in Statement of Profit and Loss.

### (b) Information about revenue from operations and geographical distribution of revenue

The Company is domiciled in India, however also sells its products outside India. The amount of its revenue from external customers broken down by the location of the customers is shown in table below:

	Revenue from external customers	
	For the year ended December 31, 2022	For the year ended December 31, 2021
India	37,999.75	31,613.45
Outside India	2,587.27	2,121.63
<b>Total</b>	<b>40,587.02</b>	<b>33,735.08</b>

The Company does not have any customer contributing to 10% or more to the total revenue.

	Segment Assets	
	For the year ended December 31, 2022	For the year ended December 31, 2021
India	33,496.79	28,781.73
Outside India	680.87	243.85
Unallocated	333.75	421.16
<b>Total</b>	<b>34,511.41</b>	<b>29,446.74</b>

# Notes to the financial statements

For the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

	Segment Liabilities	
	For the year ended December 31, 2022	For the year ended December 31, 2021
India	9,373.05	7,855.90
Outside India	1,104.79	723.96
Unallocated	131.96	-
<b>Total</b>	<b>10,609.80</b>	<b>8,579.86</b>

## 31 Contingencies and Commitments

	As at December 31, 2022	As at December 31, 2021
<b>a) Contingent Liabilities</b>		
Contingent Liabilities		
<b>b) Commitments:</b>		
Estimated Amount of Contracts remaining to be executed on Capital Account and not provided for (net of advance payments)	5.29	12.39
<b>c) Bank Guarantees</b>		
Counter Guarantees given to Banks in respect of Guarantee given by them towards third parties for supply of goods, clearance of goods from customs etc.	23.08	28.54

## 32 Fair Value Measurements

### Financial instruments measured at amortised cost by category

	Year ended December 31, 2022	Year ended December 31, 2021
<b>Financial assets</b>		
Trade receivables	8,514.16	7,419.84
Receivable from related parties	320.98	-
Loans to employees	24.08	20.26
Security deposits	67.85	41.17
Cash and cash equivalents	18,871.02	14,917.79
Bank balances other than cash and cash equivalents	50.90	62.86
Interest accrued on fixed deposits	156.14	67.38
<b>Total financial assets</b>	<b>28,005.13</b>	<b>22,529.30</b>
<b>Financial liabilities</b>		
Trade payables	8,706.01	7,142.90
Deposits from customers	12.00	12.00
Unclaimed dividend	50.90	62.86
Accrued employee benefit obligations	539.29	430.37
Deposit for leasehold land	16.75	16.75
Payable towards Capital Expenditures	67.18	53.93
Payable to related parties	451.80	385.79
Dues to non-executive directors	21.70	24.71
<b>Total financial liabilities</b>	<b>9,865.63</b>	<b>8,129.31</b>

The Company has not disclosed the fair values for above financial instruments because their carrying amounts are a reasonable approximation of fair values mainly because of their short-term nature.



# Notes to the financial statements

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## Fair value hierarchy

This section explains the judgements & estimates made in determining the fair value of the financial instruments. The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements

For all financial instruments referred above that have been measured at amortised cost, their carrying values are reasonable approximations of their fair values. These are classified as level 3 financial instruments.

There were no transfers between Level 1, Level 2 and Level 3 during the year.

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Considering that all significant inputs required to fair value such instruments are observable, these are included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

## 33 Financial Risk Management

### 1 Financial risk management

The Company's activities exposes it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

#### (A) Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and deposits with banks and other financial instruments. For banks and other financial institutions, only high rated banks/ financial institutions are accepted. The balances with banks, loans given to employees, security deposits are subject to low credit risk and the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, for e.g., external credit rating (to the extent available), actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to borrower's ability to meet its obligations.

#### I. Trade receivables

Credit risk arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly.

The Company uses the Expected Credit Loss (ECL) model to assess the impairment gain or loss. As per ECL simplified approach, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of Company's customers' financial condition; aging of trade accounts receivable; the value and adequacy of collateral received from the customers in certain circumstances (if any); the Company's historical loss experience; and adjustment based on forward looking information. The Company defines default as an event when there is no reasonable expectation of recovery.

# Notes to the financial statements

For the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## Movement of loss allowance:

Particulars	Amount
Loss Allowance as on December 31, 2020	400.30
Utilisation / Reversals during the year	(41.09)
Loss Allowance as on December 31, 2021	359.21
Written back during the year	(140.69)
Utilisation during the year	(58.35)
Loss Allowance as on December 31, 2022	160.17

## (B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. To assure the solvency and financial flexibility, the Company retains a liquidity reserve through cash and cash equivalents and lines of credit.

### (i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity group based on their contractual maturities for:

31-Dec-2022	< 1 year	> 1 year
Trade payables	8,706.01	-
Accrued employee benefit obligations	516.29	23.00
Deposit for leasehold land	-	16.75
Dues to Non-executive Directors	21.70	-
Unclaimed dividend	50.90	-
Payable towards Capital Expenditures	67.18	-
Payable to related parties	451.80	-
Deposits from customers	12.00	-
<b>Total</b>	<b>9,825.88</b>	<b>39.75</b>
31-Dec-2021	< 1 year	> 1 year
Trade payables	7,142.90	-
Accrued employee benefit obligations	425.25	5.12
Deposit for leasehold land	-	16.75
Dues to Non-executive Directors	24.71	-
Payable towards Capital Expenditures	53.93	-
Unclaimed dividend	62.86	-
Payable to related parties	385.79	-
Deposits from customers	12.00	-
<b>Total</b>	<b>8,107.44</b>	<b>21.87</b>

## (C) Market risk

Market risk comprises of foreign currency risk and interest rate risk.

### i) Foreign currency risk

The company is engaged in international trade and thereby exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR, AUD, GBP and JPY. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency other than company's functional currency (INR). The Company's exposure to foreign currency arises from short term receivables and payables where fluctuations in the foreign exchange rates are generally not significant and consequently limiting the company's exposure.

# Notes to the financial statements

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## i) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ lakh, are as follows:-

	As at December 31, 2022				As at December 31, 2021			
	USD	EUR	GBP	JPY	USD	EUR	GBP	JPY
<b>Financial assets</b>								
Trade receivables	293.63	-	-	-	200.21	-	-	-
Other receivables	-	305.08	12.12	-	-	-	-	-
Bank balances in EEFC Accounts	70.04	-	-	-	39.67	3.97	-	-
<b>Exposure to foreign currency risk (assets) (A)</b>	<b>363.67</b>	<b>305.08</b>	<b>12.12</b>	<b>-</b>	<b>239.88</b>	<b>3.97</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>								
Trade payables	381.69	325.08	220.40	155.74	193.83	186.89	230.66	78.43
Other payables	-	21.88	-	-	-	4.49	29.66	-
<b>Exposure to foreign currency risk (liabilities) (B)</b>	<b>381.69</b>	<b>346.96</b>	<b>220.40</b>	<b>155.74</b>	<b>193.83</b>	<b>191.38</b>	<b>260.32</b>	<b>78.43</b>
<b>Net foreign currency exposure (A) - (B)</b>	<b>(18.02)</b>	<b>(41.88)</b>	<b>(208.28)</b>	<b>(155.74)</b>	<b>46.05</b>	<b>(187.41)</b>	<b>(260.32)</b>	<b>(78.43)</b>

Currently the Company does not hedge the foreign currency risk exposure.

## ii) Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financials instruments:

	Impact on profit before tax	
	As at December 31, 2022	As at December 31, 2021
<b>USD sensitivity</b>		
INR/USD - Increase by 5% (31 Dec 2021-5%)	(0.93)	2.30
INR/USD - Decrease by 5% (31 Dec 2021-5%)	0.93	(2.30)
<b>EUR sensitivity</b>		
INR/EUR - Increase by 5% (31 Dec 2021-5%)	(2.08)	(9.36)
INR/EUR - Decrease by 5% (31 Dec 2021-5%)	2.08	9.36
<b>GBP sensitivity</b>		
INR/GBP - Increase by 5% (31 Dec 2021-5%)	(10.41)	(13.00)
INR/GBP - Decrease by 5% (31 Dec 2021-5%)	10.41	13.00
<b>JPY sensitivity</b>		
INR/JPY - Increase by 5% (31 Dec 2021-5%)	(7.55)	(4.11)
INR/JPY - Decrease by 5% (31 Dec 2021-5%)	7.55	4.11

## II) Interest rate risk

The Company's main interest rate risk arises from deposits placed over a period of time on frequent basis thereby exposing the company to interest rate risk. The Company's policy is to have fixed interest rate at the time of deal execution.

# Notes to the financial statements

For the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

## 34 Capital Management

### a) Risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholders value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions.

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2022 and December 31, 2021.

### b) Dividends

	December 31, 2022	December 31, 2021
<b>(i) Equity shares</b>		
Final dividend for the year ended December 31, 2021: ₹ 25/- (December 31, 2020: ₹ 10/-) per fully paid share	1,596.61	638.65
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
The directors have recommended the payment of a final dividend for financial year ended December 31, 2022 of ₹ 40/- (December 31, 2021 ₹25/-) per fully paid equity share This proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting.	2,554.58	1,596.61

## 35 Research and Development

Revenue expenditure incurred on in-house Research and Development activities	84.50	75.48
Capital expenditure in relation to acquisition of property plant and equipment incurred on in-house research and development activities	40.84	-

## 36 Ratio Analysis

Particulars	Numerator	Denominator	As at December 31, 2022	As at December 31, 2021	Change in %	Remarks
<b>Current Ratio (in times)</b>	Total current assets	Total current liabilities	2.91	2.99	-3%	
<b>Debt-Equity Ratio (in times)</b>	Debt consists of borrowings and lease liabilities	Total Equity	NA	NA	NA	The Company does not have any outstanding debt and lease liabilities
<b>Debt Service Coverage Ratio (in times)</b>	Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments	NA	NA	NA	The Company does not have any outstanding debt and lease liabilities
<b>Return on Equity Ratio (in%)</b>	Profit for the year	Average total equity (Opening + Closing)/2	1440%	1023%	41%	Increased due to increase in profits for the year.
<b>Inventory Turnover (in times)</b>	Cost of goods sold	Average inventory ((Opening + Closing)/2)	10.75	10.94	-2%	

# Notes to the financial statements

for the year ended December 31, 2022

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Numerator	Denominator	As at December 31, 2022	As at December 31, 2021	Change in %	Remarks
<b>Trade Receivables Turnover (in times)</b>	Revenue from operations	Average trade receivables ((Opening + Closing)/2)	5.11	4.86	5%	
<b>Trade Payable Turnover (in times)</b>	Cost of goods sold	Average trade payables ((Opening + Closing)/2)	2.89	2.78	4%	
<b>Net Capital Turnover ratio (in times)</b>	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	2.02	2.00	1%	
<b>Net profit Ratio (in %)</b>	Profit for the year	Revenue from operations	11%	10%	10%	
<b>Return on Capital Employed (in %)</b>	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities	26%	21%	24%	
<b>Return on Investment (in %)</b>	Profit before tax and finance costs	Average total assets ((Opening + Closing)/2)	19%	16%	19%	

### 37 Other regulatory information required by Schedule III

- i Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013, as except reported as below;

#### a) Transactions during the year with struck off companies.

Sr. No.	Name of the struck off company	Nature of transaction	Year Ended December 31, 2022	Year Ended December 31, 2021	Relationship with the struck off Company
1	Alfatech Thermal Engineers Private Limited	Supply of Material	4.28	-	Vendor / Not a related party
2	H R Organochem Private Limited	Supply of Material	-	75.71	Vendor / Not a related party
3	Nitrochem India Private Limited	Supply of Material	223.90	80.99	Vendor / Not a related party
4	Sew Eurodrive India Private Limited	Supply of Material	14.50	7.78	Vendor / Not a related party

#### b) Outstanding balance as at year end with struck off companies.

Sr. No.	Name of the struck off company	Nature of transaction	Year Ended December 31, 2022	Year Ended December 31, 2021	Relationship with the struck off Company
1	Alfatech Thermal Engineers Private Limited	Payables in nature for supply of Material	2.47	-	Vendor / Not a related party
2	H R Organochem Private Limited	Payables in nature for supply of Material	-	44.38	Vendor / Not a related party
3	Nitrochem India Private Limited	Payables in nature for supply of Material	47.04	-	Vendor / Not a related party
4	Sew Eurodrive India Private Limited	Payables in nature for supply of Material	-	2.50	Vendor / Not a related party

# Notes to the financial statements

For the year ended December 31, 2022

**ii Details of benami property held**

No proceedings have been initiated on or are pending against the Company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**iii Borrowing secured against current assets**

The Company has no borrowing from bank or any financial institutions.

**iv Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**v Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

**vi Compliance with approved scheme(s) of arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**vii Utilisation of borrowed funds and share premium**

The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

**viii Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**ix Details of crypto currency or virtual currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**x Registration of charges or satisfaction with Registrar of Companies**

The Company does not have any charges to be created or satisfied which requires to be registered with Registrar of Companies (ROC).



## Notes to the financial statements

for the year ended December 31, 2022

**38** In terms of provisions of Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had, on February 06, 2023, informed the BSE Limited and the National Stock Exchange of India Limited that there has been an incident involving unauthorised access to its IT systems that happened through an offshore affiliate. Immediately upon becoming aware of such unauthorised activity on the networks, the Company had initiated necessary steps to investigate and respond to the incident, including shutting down the affected systems. Based on management's preliminary assessment with the support of leading cyber security experts, related to investigations and identification of the extent of the issue, including the impact, if any, on production and contract fulfilment, there was no assessed impact on the financial statements of the Company for the year ended December 31, 2022. While the restoration process of the IT systems has started in the phased manner and the detailed investigation as regards the incident is yet to be concluded, the management does not expect any further financial, legal or regulatory impact of the incident reported herein on the aforesaid financial statements of the Company.

**39** Previous year's figure have been regrouped, wherever required.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012574N/ N500016

**Amit Borkar**

Partner

Membership No.: 109846

**For and on behalf of the Board of Directors of**

**Foseco India Limited**

Corporate Identification No. (CIN): L24294PN1958PLC011052

**Ravi Kirpalani**

Chairperson

DIN: 02613688

**Prasad Chavare**

Managing Director and

Chief Executive Officer

DIN: 08846863

**Amitabha Mukhopadhyay**

Director

DIN: 01806781

**Mohit Mangal**

Chief Financial Officer

Place: Pune

Date: February 27, 2023

**Mahendra Dutia**

Controller of Accounts and Company Secretary

Place: Sanaswadi, Pune. Date: February 27, 2023

# Financial Highlights

for the year ended December 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Year	2018	2019	2020	2021	2022
<b>Operating Results</b>					
Total Revenue from Operations	36,215.58	32,252.39	25,115.04	33,801.11	40,673.51
Operating Expenses	30,733.55	26,869.78	22,415.06	28,880.66	33,650.23
<b>EBITDA</b>	<b>5,482.03</b>	<b>5,382.61</b>	<b>2,699.98</b>	<b>4,920.45</b>	<b>7,023.28</b>
Finance Cost	20.87	0.13	0.07	-	-
Depreciation and Amortisation Expenses	453.90	419.70	591.06	588.18	890.21
<b>Profit before Taxation and Extraordinary Item</b>	<b>5,007.26</b>	<b>4,962.78</b>	<b>2,108.85</b>	<b>4,332.27</b>	<b>6,133.07</b>
Extraordinary Items	-	-	-	-	-
Tax Expense	1,803.61	1,509.49	565.17	1,065.24	1,536.25
<b>Profit after Taxation</b>	<b>3,203.65</b>	<b>3,453.29</b>	<b>1,543.68</b>	<b>3,267.03</b>	<b>4,596.82</b>
<b>Sources and Application of Funds</b>					
Share Capital	638.65	638.65	638.65	638.65	638.65
Reserves	14,972.15	16,500.18	17,626.06	20,228.23	23,262.96
<b>Shareholders Funds</b>	<b>15,610.80</b>	<b>17,138.83</b>	<b>18,264.71</b>	<b>20,866.88</b>	<b>23,901.61</b>
Deferred Tax Liability (Net)	-	-	-	-	-
Loan Funds / Non Current Liabilities	233.97	80.80	58.02	63.03	96.62
Current Liabilities	8,001.08	7,646.28	7,985.17	8,516.83	10,470.94
<b>Total Sources</b>	<b>23,845.85</b>	<b>24,865.91</b>	<b>26,307.90</b>	<b>29,446.74</b>	<b>34,469.17</b>
Net Fixed Assets	2,565.99	3,594.20	3,561.63	3,567.35	3,180.96
Investments	-	-	-	-	-
Deferred Tax Assets (Net)	305.13	185.60	261.73	259.01	333.75
Long Term Loans and Advances	715.14	471.33	598.97	187.23	351.15
Net Current Assets	20,259.59	20,614.78	21,885.57	25,433.15	30,603.31
<b>Total Application</b>	<b>23,845.85</b>	<b>24,865.91</b>	<b>26,307.90</b>	<b>29,446.74</b>	<b>34,469.17</b>
Debt Equity Ratio	0.01	0.00	0.00	0.00	0.00
Earning per Share (₹)	50.16	54.07	24.17	51.16	71.98
Dividend per Share (₹)	25.00	15.00	15.00	25.00	40.00
<b>Net Worth of the Company</b>	<b>15,610.80</b>	<b>17,138.83</b>	<b>18,264.71</b>	<b>20,866.88</b>	<b>23,901.61</b>



FOSECO

## FOSECO INDIA LIMITED

**Registered Office**

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Taluka Shirur, District Pune – 412208

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**E-mailID**

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**Corporate Identity Number:**

L24294PN1958PLC011052

