



February 27, 2023

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

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

Dear Sirs,

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

Sub: Outcome of the Board Meeting

- 1. Audited Financial Results of the Company for the quarter and year ended 31 December 2022**
- 2. Recommendation of the Final Dividend**
- 3. Other Matters – Changes in Directorship**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, we write to advise that the Board of Directors of the Company at its Meeting held today, i.e., February 27, 2023, has *inter-alia*, taken the following decisions:

1. Audited Financial Results of the Company for the quarter and year ended 31 December 2022

The Audited Financial Results of the Company for the quarter and year ended 31 December 2022 was approved by the Board of Directors. In this regard, following documents are submitted herewith:-

- a) Audited Financial Results of the Company for the above period; and
- b) Statutory Auditor's Report on the Financial Results.

In compliance with Regulation 33(3)(d) of the SEBI (LODR), as amended from time to time, the Board of Directors had declared that the Statutory Auditors of the Company, Price Waterhouse Chartered Accountants LLP (Firm Registration no. 012754N / N500016) have issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company for the year ended 31 December 2022.

2. Recommendation of the Final Dividend

The Board of Directors of the Company has recommended for approval of the Members at the next Annual General Meeting of the Company, a final dividend of Rs. 25/- (250%) on a paid-up equity share of Rs. 10/- each for the financial year ended 31 December 2022, plus a one-time special dividend of Rs. 15/- (150%) giving a total final dividend of Rs. 40/- (400%) per share. The one-time special dividend is recommended on completion of 65 years of the Company in the current year 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/www.fosecointia.com, CIN : L24294PN1958PLC011052



3. Other Matters – Changes in Directorship

i) Appointment of Mr. Mark Russell Collis (DIN 10054384) as a Non-Executive Non-Independent Director (Additional Director) of the Board

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has appointed Mr. Mark Russell Collis as a Non-Executive Non-Independent Director (Additional Director) on the Board of the Company with effect from 27th February 2023. Mr. Collis is a nominee of the Holding Company – Foseco Overseas Limited. More information on Mr. Collis is being filed separately.

ii) Re-appointment of Mr. Ravi Moti Kirpalani (DIN 02613688) as a Non-Executive Independent Director on the Board of the Company for the second term of 5 years

Mr. Ravi Moti Kirpalani's present term of office as a Non-Executive Independent Director comes to an end on 25th October 2023. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has re-appointed Mr. Kirpalani as a Non-Executive Independent Director on the Board of the Company for the second term of 5 years that will take effect from 26th October 2023 and ends on 25th October 2028. More information on Mr. Kirpalani is being filed separately.

iii) Resignation of Mr. Guy Franklin Young (DIN 08334721) as a Non-Executive Non-Independent Director

Mr. Guy Franklin Young has tendered his resignation from the Directorship of the Company that will take effect from the close of business on 27th February 2023. The Board of Directors of the Company took note of the resignation of Mr. Guy Franklin Young. More information on Mr. Young is being filed separately.

The Meeting of the Board of Directors commenced at 1645 hours and concluded at 2045 hours.

You are requested to take the above information on record.

Thanking you,

Yours faithfully,

For FOSECO INDIA LIMITED

Mahendra Kumar Dutia
Controller of Accounts and Company Secretary

Enclosing: as above



Foseco India Limited

Registered Office: Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur, District Pune – 412208
 Tele: +91 2137 668100, Fax: +91 2137 668160
 Website: www.fosecoindia.com, E-mail ID: investor.grievance@vesuvius.com
 Corporate Identity Number: L24294PN1958PLC011052

Statement of financials results for the quarter and year ended 31 December 2022

(All figures in Rupees Lakhs)

Sr. No.	Particulars	Current 3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Current Accounting Year Ended	Previous Accounting Year Ended
		31-Dec-2022 Unaudited (Refer note-2)	30-Sep-2022 Unaudited	31-Dec-2021 Unaudited (Refer note-2)	31-Dec-2022 Audited	31-Dec-2021 Audited
1	Income from Operations					
	a Revenue from Operations	10,570.68	10,254.16	8,746.19	40,673.51	33,801.11
	b Other Income	194.22	167.21	81.83	748.11	561.35
	Total Income from Operations (a to b)	10,764.90	10,421.37	8,828.02	41,421.62	34,362.46
2	Expenses					
	a Cost of materials consumed	5,324.68	5,532.10	4,769.43	21,605.94	18,354.33
	b Purchase of Stock In Trade	392.12	370.02	274.67	1,360.45	1,045.76
	c Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	228.42	(118.02)	(123.45)	(78.62)	(211.31)
	d Employee benefit expense	1,183.10	1,098.79	1,018.98	4,433.76	3,854.30
	e Finance cost	-	-	-	-	-
	f Depreciation and amortisation expense	374.32	190.44	159.89	890.21	588.18
	g Other expenses	1,636.74	1,874.60	1,638.09	7,076.81	6,398.93
	Total Expenses (a to g)	9,139.38	8,947.93	7,737.61	35,288.55	30,030.19
3	Profit before tax	1,625.52	1,473.44	1,090.41	6,133.07	4,332.27
4	Tax Expense					
	- Current Tax (net)	492.84	413.00	282.00	1,659.00	1,095.00
	- Deferred Tax charge/ (credit)	(41.12)	(32.85)	(13.08)	(70.86)	17.25
	- Prior year tax adjustments (credit) / charge	(51.89)	-	-	(51.89)	(47.01)
	Total Tax Expense	399.83	380.15	278.92	1,536.25	1,065.24
5	Net Profit for the Period / Year	1,225.69	1,093.29	811.49	4,596.82	3,267.03
6	Other comprehensive Income, net of Income tax					
	a Items that will not be reclassified to profit or loss					
	i Remeasurement of defined employee benefit plans	(74.42)	19.67	29.01	(15.41)	(57.72)
	ii Tax relating to remeasurement of defined benefit plan	18.73	(4.95)	(7.31)	3.88	14.53
	Total other comprehensive income, net of tax	(55.69)	14.72	21.70	(11.53)	(43.19)
7	Total comprehensive income for the period / year (5 +/- 6)	1,170.00	1,108.01	833.19	4,585.29	3,223.84
8	Paid up Equity Share Capital (Face Value Rs. 10/- per share)	638.65	638.65	638.65	638.65	638.65
9	Earnings per equity share (not annualised)					
	Basic and diluted earnings per share (in INR)	19.19	17.12	12.71	71.98	51.16
10	Reserves excluding Revaluation Reserve as per Audited Balance Sheet of December 31, 2022 and December 31, 2021				23,262.96	20,228.23



Statement of Assets and Liabilities as at December 31, 2022

(All figures in Rupees Lakhs)

Particulars		Current Accounting Year Ended 31-Dec-2022 Audited	Previous Accounting Year Ended 31-Dec-2021 Audited
A ASSETS			
1	Non-Current Assets		
(a)	Property, plant and equipment	3,084.41	3,539.45
(b)	Right of use assets	2.52	2.56
(c)	Capital work-in-progress	94.03	25.34
(d)	Intangible assets	-	-
(e)	Financial Assets		
i.	Loans	14.45	10.10
ii.	Other financial assets	67.85	41.17
(f)	Deferred tax assets	333.75	259.01
(g)	Income tax assets (net)	-	129.64
(h)	Other non-current assets	268.85	6.32
Total Non-Current Assets		3,865.86	4,013.59
2	Current assets		
(a)	Inventories	2,001.90	2,256.75
(b)	Financial assets		
i.	Trade receivables	8,514.16	7,419.84
ii.	Cash and cash equivalents	18,871.02	14,917.79
iii.	Bank balances other than cash and cash equivalents	50.90	62.86
iv.	Loans	9.63	10.16
v.	Other financial assets	477.12	67.38
(c)	Income tax assets (net)	-	32.51
(d)	Other current assets	720.82	665.86
Total Current Assets		30,645.55	25,433.15
TOTAL ASSETS		34,511.41	29,446.74

B EQUITY AND LIABILITIES			
EQUITY			
(a)	Equity share capital	638.65	638.65
(b)	Other Equity	23,262.96	20,228.23
Total Equity		23,901.61	20,866.88
LIABILITIES			
1	Non-Current Liabilities		
(a)	Financial liabilities		
i.	Other financial liabilities	39.75	21.87
(b)	Employee benefit obligations	56.87	41.16
Total Non-Current Liabilities		96.62	63.03
2	Current Liabilities		
(a)	Financial liabilities		
i.	Trade payables		
-	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
iii.	Other financial liabilities	1,119.87	964.54
(b)	Other current liabilities	293.77	189.15
(c)	Employee benefit obligations	261.57	220.24
(d)	Current tax liabilities	131.96	-
Total Current Liabilities		10,513.18	8,516.83
Total Liabilities		10,600.80	8,579.86
TOTAL EQUITY AND LIABILITIES		34,511.41	29,446.74



Statement of Cash Flow as at the financial year ended December 31, 2022

(All figures in Rupees Lakhs)

Particulars	Current Accounting Year Ended 31-Dec-2022	Previous Accounting Year Ended 31-Dec-2021
A. Cash flow from Operating activities		
Profit before tax	6,133.07	4,332.27
Adjustments for :		
Depreciation and Amortisation expense	890.21	588.18
(Profit) / Loss on sale / disposal of property, plant and equipment	43.48	(14.09)
Interest Income	(584.02)	(492.85)
Provision for doubtful debts written back	(140.69)	(40.03)
Unrealised exchange (gain) / loss (net)	34.63	(0.81)
Employee share based payment expense	89.68	43.63
Operating profit before working capital changes	6,466.36	4,416.30

Working capital adjustments for :		
(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)
Cash generated from operations	7,184.37	2,714.21
Income taxes paid (net of refunds)	(1,313.00)	(732.53)
Net cash generated from operating activities (a)	5,871.37	1,981.68

B. Cash flow from Investing activities		
Payments for property, plant and equipment	(804.83)	(547.03)
Proceeds from sale of property, plant and equipment	-	14.83
Interest received	495.26	484.77
Net cash used in investing activities (b)	(309.57)	(47.43)

C. Cash flow from Financing activities		
Interest paid	-	-
Dividends paid	(1,608.57)	(646.48)
*Net cash used in financing activities (c)	(1,608.57)	(646.48)

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
Cash and cash equivalents at the end of the year	18,871.02	14,917.79

Cash and cash equivalents comprise of :		
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
Total cash and cash equivalents	18,871.02	14,917.79

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




NOTES:

- 1 The results have been reviewed by the Audit Committee and approved by the Company's Board of Directors at their respective meetings held on February 27, 2023. The statutory auditors have carried out the audit for the year ended 31 December 2022 and have issued an unmodified opinion.
- 2 Figures of the quarter ended 31 December 2022 and 31 December 2021 are the balancing figures between audited figures in respect of the relevant full financial year and the published year to date figures up to third quarter of relevant financial year.
- 3 The Company has only one reportable segment, metallurgical products and services, in accordance with Ind AS 108 - "Operating Segments", notified pursuant to the Companies (Indian Accounting Standards) Rules, 2015.
- 4 The Board of Directors of the Company has recommended for approval of the Members at the next Annual General Meeting of the Company, a final dividend of Rs.25/- (250%) on a paid-up equity share of Rs. 10/- each for the financial year ended 31 December 2022, plus a one-time special dividend of Rs.15/- (150%) giving a total final dividend of Rs. 40/- (400%) per share. The one time special dividend is recommended on completion of 65 years of the Company in the current year 2023.
- 5 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 statement of financials results for the quarter and year ended 31 December 2022 of the Company.
- 6 Previous period / year figures have been regrouped/rearranged wherever considered necessary.

Date : 27th February 2023
Place : Pune

For FOSECO INDIA LIMITED


Prasad Chavare
Managing Director & Chief Executive Officer
DIN : 08846863



Price Waterhouse Chartered Accountants LLP

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.

Price Waterhouse Chartered Accountants LLP, 7th Floor, Tower A - Wing 1, Business Bay, Airport Road
Yerwada, Pune - 411 006
T: +91 (20) 41004444, F: +91 (20) 41006161

Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, Gate No 2, 1st Floor, New Delhi - 110002

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

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Fosco India Limited
Report on Audit of the Financial Statements

Page 2 of 6

Key audit matter

Revenue Recognition

Refer Note 1 (d) and 17 to the Financial Statements.

The Company recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers".

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.

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.

How our audit addressed the key audit matter

Our testing of revenue transactions was designed to cover a certain sample of customer contracts. Our audit procedures included the following:

- Understanding, evaluating the design and testing the operating effectiveness of controls over revenue recognition process including contract monitoring, billings and approvals;
- Evaluating the contract terms for assessment of the timing of transfer of control to the customer to assess whether revenue is recognised appropriately;
- Testing whether the revenue recognition is in line with the terms of customer contracts;
- Assessing whether fair value of consideration received, or receivable has been determined appropriately in terms of the customer contract, reviewing customer correspondence and verifying that pre and post year end cut-off had been appropriately applied;
- Testing of journal entries for unusual revenue transactions which are not within the normal course of business; and
- Evaluating adequacy of the presentation and disclosures

Based on the above procedures, no significant exceptions were noted in revenue recognition including those relating to presentation and disclosures.

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.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT
To the Members of Poseco India Limited
Report on Audit of the Financial Statements
Page 3 of 6

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.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Poseco India Limited

Report on Audit of the Financial Statements

Page 4 of 6

- 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.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Fosco India Limited
Report on Audit of the Financial Statements

Page 5 of 6

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);

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Fosco India Limited

Report on Audit of the Financial Statements

Page 6 of 6

(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 ARUN Digitally signed by
AMIT ARUN BORKAR

BORKAR Date: 2023.02.27
19:23:12 +05'30'

Amit Borkar

Partner

Membership Number: 109846

UDIN: 23109846BGYFKP2058

Place: Pune

Date: February 27, 2023

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Fosco India Limited on the financial statements for the year ended December 31, 2022

Page 1 of 2

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 Fosco 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.

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Fosco India Limited on the financial statements for the year ended December 31, 2022

Page 2 of 2

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 ARUN Digitally signed by
AMIT ARUN BORKAR
BORKAR Date: 2023.02.27
19:23:43 +05'30'

Amit Borkar
Partner
Membership Number: 109846
UDIN : 23109846BGYFKP2058
Place: Pune
Date: February 27, 2023

Price Waterhouse Chartered Accountants LLP

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

Page 1 of 5

- 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 Rs. 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(ii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Fossee India Limited on the financial statements for the year ended December 31, 2022

Page 2 of 5

- 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 (Rs.)	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.

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Fosoco India Limited on the financial statements for the year ended December 31, 2022

Page 3 of 5

- (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.

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Fosco India Limited on the financial statements for the year ended December 31, 2022

Page 4 of 5

- 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.

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Foscco India Limited on the financial statements for the year ended December 31, 2022

Page 5 of 5

- 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.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

AMIT ARUN Digitally signed by AMIT
ARUN BORKAR
BORKAR Date: 2023.02.27
19:24:17 +05'30'

Amit Borkar

Partner

Membership Number: 109846

UDIN: 23109846BGYFKP2058

Place: Pune

Date: February 27, 2023