



August 18, 2020

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) Notice of the 63<sup>rd</sup> Annual General Meeting of the Company**  
**2) Intimation of the Book Closure**  
**3) Annual Report of the Company for the year ended 31 December 2019**

Please be informed that the 63<sup>rd</sup> Annual General Meeting (AGM) of the Members of Foseco India Limited (the Company) will be held on Thursday, 10 September 2020 at 1430 Hours (IST) through Video Conferencing or Other Audio Visual Means, 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)], the Register of Members and Share Transfer Books of the Company will remain closed from Friday, 4 September 2020 to Thursday, 10 September 2020 (both days inclusive).

Pursuant to Regulation 34 of the SEBI (LODR), we are submitting herewith the Notice of the 63<sup>rd</sup> AGM of the Company together with the Annual Report of the Company for the year ended 31 December 2019 including the Business Responsibility Report. 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.

The AGM Notice together with the Annual Report is being sent to the Members of the Company today through electronic mode. It is also made available on the website of the Company.

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: As above



Solutions Partner **to the** Expert Foundryman



# Foseco India Limited

63rd Annual Report 2019





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COURAGE  
OWNERSHIP  
RESPECT  
ENERGY



## Corporate Information

### Board of Directors

<b>Ravi Moti Kirpalani</b>	Director & Chairperson
<b>Sanjay Mathur</b>	Managing Director
<b>Ajit Shah</b>	Director
<b>Guy Franklin Young</b>	Director
<b>Anita Belani</b>	Director
<b>Karena Cancilleri</b>	Director
<b>Indira Parikh</b>	Director (Up to 27 March 2019)
<b>Glenn Allan Cowie</b>	Director (Up to 19 September 2019)

### Chief Financial Officer

**R. Umesh**

### Company Secretary & Compliance Officer

**Mahendra Kumar Dutia**

### Audit Committee

<b>Ajit Shah</b>	Chairperson
<b>Ravi Moti Kirpalani</b>	
<b>Guy Franklin Young</b>	
<b>Anita Belani</b>	

### Stakeholders Relationship Committee

<b>Ravi Moti Kirpalani</b>	Chairperson
<b>Ajit Shah</b>	
<b>Anita Belani</b>	
<b>Sanjay Mathur</b>	

### Nomination & Remuneration Committee

<b>Ajit Shah</b>	Chairperson
<b>Ravi Moti Kirpalani</b>	
<b>Anita Belani</b>	
<b>Karena Cancilleri</b>	

### Corporate Social Responsibility Committee

<b>Anita Belani</b>	Chairperson
<b>Ravi Moti Kirpalani</b>	
<b>Ajit Shah</b>	
<b>Sanjay Mathur</b>	

### 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**

### 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

Fax : 020 2616 3503

Email : [pune@linkintime.co.in](mailto:pune@linkintime.co.in)

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

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## 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 63<sup>rd</sup> Annual General Meeting** of the Members of **Foseco India Limited** will be held on **Thursday, 10 September 2020 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 31 December 2019, 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 confirm the payment of two Interim Dividends on Equity Shares aggregating to Rs. 15 per share (i.e., 150%) on a share of Rs. 10 each of the Company for the financial year ended 31 December 2019.
3. To appoint a Director in place of **Guy Franklin Young (DIN: 08334721)**, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 4. **Appointment of Anita Belani as an Independent 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 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), **Anita Belani (DIN: 01532511)**, who was 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 21 June 2019, and who holds office up to the date of this Annual General Meeting, has submitted declarations that she is eligible for appointment and that she 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 herself 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 an Independent Director of the Company for a term of 5 consecutive years commencing from 21 June 2019 and ending on 20 June 2024, not liable to retire by rotation.”

#### 5. **Appointment of Karena Cancilleri 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), **Karena Cancilleri (DIN: 08598568)**, who was 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 31 October 2019, and who holds office up to the date of this Annual General Meeting, has submitted a declaration that she is eligible for appointment and that she has given a notice in writing proposing herself 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 31 December 2020**

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 Rs. 4,00,000/- (Rupees four lakh 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 31 December 2020.”

7. **Payment of commission to Independent Directors 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 Section 197 and other applicable provisions, if any, of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) a sum not exceeding one percent (1%) per annum of the net profit of the Company calculated in accordance with the provisions of Section 198 of the Companies Act 2013, be paid as commission to the Independent Directors of the Company, or some or any of them, in such amounts or proportions, as may be determined by the Board of Directors from time to time and in default of such determination equally amongst them, such payments shall be made in respect of the profits of the Company for each year, for a period of five years, commencing from 1 January 2020 and ending on 31 December 2024.”

“RESOLVED FURTHER THAT the payment of commission to the Independent Directors, will be in addition to the sitting fees paid to them for attending the Board / Committee Meetings of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**Registered Office:**

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

By Order of the Board of Directors

**Mahendra Kumar Dutia**

Controller of Accounts & Company Secretary

Date: 23 July 2020





## 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 **Friday, 4 September 2020 to Thursday, 10 September 2020 (both days inclusive)**.
4. 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, 2nd 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)) enclosing their share certificate(s) to enable the Company to consolidate their holdings in one single folio.
5. Members are advised to register their Income Tax PAN (including that of joint holders, if any), 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, 2nd 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)) for providing efficient and better services. Members holding securities in dematerialised form are requested to intimate such changes to their respective depository participants.
6. Members should kindly note that transfer of securities (except in case of transmission or transposition of securities) in physical form has been discontinued in accordance with SEBI directive. However, transfers are effected if the securities are held in the dematerialised form with the depositories. Members are requested to dematerialise their physical securities if not yet done.
7. 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 duly filled-in to Company's RTA. 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.
8. **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 Investors Education and Protection Fund Account set up by the Central Government. Members are requested to write to the Company and/or Share Transfer Agents, if any dividend warrants are not encashed so that fresh / re-validated warrants could be issued by the Company. 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.
9. **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, 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 **URL: [fosecoindia.com/View/Information\\_on\\_Transfer\\_of\\_Shares\\_to\\_IEPF.aspx](http://fosecoindia.com/View/Information_on_Transfer_of_Shares_to_IEPF.aspx)**.

10. **Procedure for Attending the AGM Through Video Conference (VC) or Other Audio Visual Means (OAVM):** In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Ministry of Corporate Affairs, Government of India (MCA), has allowed conducting Annual General Meeting through VC or OAVM and has dispensed personal presence of the members at the Meeting. In this regard, the MCA has issued Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 (hereinafter these circulars collectively referred to as 'MCA Circulars') and SEBI has issued Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 ('SEBI Circular') and in compliance with the provisions of the Companies Act and SEBI Listing Regulations, the Company will conduct its 63<sup>rd</sup> AGM by providing two-way teleconferencing facility ('VC facility') to its Members through Central Depository Services (India) Limited (CDSL) e-voting platform the details of which are provided below.

- (i) Members are requested to follow the instructions given below to attend and view the live proceedings of the **AGM**:
- Log in on the CDSL website at [www.evotingindia.com](http://www.evotingindia.com) using your remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN (Electronic Voting Sequence Number) of Company will be displayed. The detailed instructions are given in **Point 17** hereinbelow.
  - Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password or have not registered their e-mail ID with the Company may retrieve the same by following the instructions given in **Point 17** hereinbelow. Further, Members can also use the OTP based login for logging into the e-voting platform of CDSL.
  - Members are encouraged to join the Meeting through Laptop / desktop / I-Pad for better experience and use Internet with a good speed to avoid any disturbance during the AGM. Participants connecting from Mobile Devices or Tablets or through Laptop 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 mitigate any kind of glitches.
- (ii) 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., is not restricted on first come first served basis. Members can login and join 15 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.
- (iii) Members may note that since the meeting is being held through VC facility, attendance slip is not annexed to the AGM Notice.
- (iv) In accordance with the MCA Circulars 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 quorum as per Section 103 of the Act.
- (vi) The transcript of the meeting will be uploaded on the Company's website: [www.fosecoindia.com](http://www.fosecoindia.com), as soon as it is available from the CDSL.
11. **Inspection of Documents:** Electronic copy of all the documents referred in the AGM Notice and the Explanatory Statement thereto, shall be made available for inspection to members upon login at CDSL e-voting platform at [www.evotingindia.com](http://www.evotingindia.com), during the remote e-voting period upto the date of the 63<sup>rd</sup> AGM. Scan copy of the 'Register of Directors and Key Managerial Personnel and their Shareholding' maintained under Section 170 of the Act and the 'Register of Contract and Arrangements' in which Directors of the Company are interested under Section 189 of the Act, shall be accessible to members during 63<sup>rd</sup> AGM upon login at CDSL e-voting platform at [www.evotingindia.com](http://www.evotingindia.com).
12. **Electronic Dissemination of Notice & Annual Report:** Electronic copy of this Annual Report and the AGM Notice are being sent to those Members whose e-mail IDs are registered with the Company/Depository Participant(s). Members who have not registered their e-mail IDs 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.
13. In accordance with the MCA Circulars and relaxation granted by SEBI Circular, hard copy of the Annual Report and the AGM Notice will neither be posted nor made available through courier / postal delivery. 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 CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) at [www.evotingindia.com](http://www.evotingindia.com).
14. **Corporate Representation:** Corporate members / institutional investors who are members are requested to send a duly certified copy of the Board Resolution / Authority Letter together with attested specimen signature of the duly authorised representative(s) by e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) with a copy marked to [mangesh.kulkarni@linkintime.co.in](mailto:mangesh.kulkarni@linkintime.co.in) and [investor.grievance@vesuvious.com](mailto:investor.grievance@vesuvious.com), from the registered email address, authorising their representative to participate in the remote e-voting 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.
15. **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 2019 or have questions with regard to the financial statements and the matters to be placed at the 63<sup>rd</sup> AGM, can send their request by providing their name, demat account number / folio number from their registered e-mail ID to [investor.grievance@vesuvious.com](mailto:investor.grievance@vesuvious.com), at least 48 hours in advance before the start of meeting i.e. by **Tuesday, 8 September 2020, 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@vesuvious.com](mailto:investor.grievance@vesuvious.com), at least 48 hours in advance before the start of meeting i.e. by **Tuesday, 8 September 2020, before 1430 Hours (IST) or can register online, half an hour before the start of the meeting – between 1400 Hours (IST) to 1430 Hours (IST) on Thursday, 10 September 2020**, as under:
- Log in to the CDSL website at [www.evotingindia.com](http://www.evotingindia.com) using your remote e-voting credentials and join the meeting by following the instructions given in **Point 17** hereinbelow.

- Once you are logged in and see the screen for 63<sup>rd</sup> AGM of the Company, click on 'Chat' option appearing on the meeting window. You need to send your request by providing your name and DPID/ Client ID/Folio Number and Mobile Number to the 'Host' through chat box and register yourself as a Speaker.
- (iii) In case of any query during the meeting, Members may utilize the 'Q&A' option available in the meeting room, and post questions along with their details (DPID/Client ID/ Folio No), registered e-mail ID and mobile number, to enable the Company to respond to their queries either at the meeting, if time permits, or subsequent to 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.**

16. **Route Map:** Route map for the venue of the 63<sup>rd</sup> AGM is not provided since the meeting is being held through VC facility.

17. **Instruction for Remote Electronic Voting (Remote E-Voting):**

- I. 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, 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 Central Depository Services (India) Limited (CDSL).

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

- (i) **The voting period begins on Monday, 7 September 2020 at 0900 Hours (IST) and ends on Wednesday, 9 September 2020 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 **Thursday, 3 September 2020** will be eligible to vote by electronic means or at the AGM.
- (ii) The Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (iii) Click on "Shareholders / Members" key.
- (iv) Enter the User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if the Member is registered with CDSL's **EASI / EASIEST** e-services, he / she can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using their login credentials. After log-in, click on e-Voting option and proceed directly to cast your vote electronically.
- (v) Enter the Image Verification as displayed and Click on Login.
- (vi) If Member holding shares in demat form had logged on to [www.evotingindia.com](http://www.evotingindia.com) and participated earlier in e-voting of any Company, then they can use their existing password.



- (vii) Members who are first time user, must follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digits' alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company's RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or Company, please enter the Member ID / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then be directed to the Company selection screen. However, Members holding shares in demat form will be directed to 'Password Creation' menu wherein they are required to mandatorily enter their login and password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for Resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (xi) Click on the EVSN of "FOSECO INDIA LIMITED" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the Resolution, you shall not be allowed to change your vote subsequently or cast the vote again.
- (xvi) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a Demat account holder has forgotten the changed login and password, he/she can enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Members can also cast their vote by using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google PlayStore. Apple and Windows phone users can download the app from the Apple Store and the Windows Phone Store respectively. Follow the instructions as prompted by the mobile app while voting, using your mobile.

- (xix) In case Members have any queries or issues regarding attending AGM and e-voting, they may refer to the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- (xx) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.
- 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 **Thursday, 3 September 2020**. 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), [mangesh.kulkarni@linkintime.co.in](mailto:mangesh.kulkarni@linkintime.co.in) or [umesh.sharma@linkintime.co.in](mailto:umesh.sharma@linkintime.co.in). However, if any Member is already registered with CDSL for e-voting then he/she can use his/her existing user ID and password / PIN for casting their vote.
- V. 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.
- VI. The Chairperson shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting with the assistance of the Scrutiniser, by use of e-voting facility to all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- VII. 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.
- VIII. 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 CDSL 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

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors of the Company at its Meeting held on 21 June 2019, appointed Anita Belani (DIN: 01532511), as a Non-Executive Additional Independent Director for a term of 5 consecutive years with effect from 21 June 2019, subject to the approval of the Members.

The Independent Directors in their separate meeting held on 28 January 2020 unanimously decided to recommend her appointment after evaluating her performance and accordingly conveyed their decision to the NRC. Accordingly, the NRC of the Board in its Meeting held on the same day recommended to the Board of Directors, Anita Belani's appointment for a term of 5 consecutive years commencing from 21 June 2019 to 20 June 2024. Subsequently, the Board of Directors of the Company at its Meeting held on 29 January 2020, in the absence of Anita Belani, taking cognisance of the feedback received from the Independent Directors as above, determined to continue with the appointment of Anita Belani as an Independent Director, subject to the approval of the Members. In the opinion of the Board, Anita Belani fulfils the conditions specified in the Act and the rules framed thereunder for appointment as Independent Director and that she is Independent of the Management. The Board also considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as Independent Director on the Board of the Company, not liable to retire by rotation.

The Company has received declarations from Anita Belani, stating that she is eligible for appointment and that she meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (LODR) Regulation and further that she is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. She has given her consent to act as a Director of the Company.

In terms of Section 149, 152 and 161 of the Companies Act, 2013 (the Act) read with the relevant Rules, she holds office as an Additional Director up to the date of the ensuing Annual General Meeting and being eligible, offers herself for appointment as a Director. Accordingly, her appointment is now being placed before the Members for their approval for five consecutive years commencing from 21 June 2019 and ending on 20 June 2024.

A copy of the draft letter of appointment as an Independent Director setting out the terms and conditions would be available for inspection by the Members electronically.

Brief Profile along with other details of Anita Belani is provided in the Report on Corporate Governance forming part of the Annual Report. According to Regulation 26(4) of SEBI (LODR) Regulations, Anita Belani does not hold any Equity Shares in the Company either by herself or on a beneficial basis for any person in the Company. She is not related to any of the existing Directors of the Company.

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 an **Ordinary Resolution**.

Save and except Anita Belani, none of the Directors, Managers 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 31 October 2019, recommended the appointment of Karena Cancilleri (DIN: 08598568), as a Non-Executive Non-Independent Director to the Board of the Company. She was nominated as a Director on the Board of the Company by Foseco Overseas Limited, the Holding Company. She is an Additional Director on the Board of the Company. Brief Profile along with other details of Karena Cancilleri is provided in the Report on Corporate Governance forming part of the Annual Report.

Ms. Cancilleri does not hold Directorship in any other Public Limited Listed Company in India except Foseco India Limited. She is a Member of the Nomination and Remuneration Committee of the Board of the Company. She has submitted a declaration that she is not disqualified from being appointed as a Director as provided in Section 152(5) of the Act and that she is eligible for appointment. She has given her consent to act as a Director of the Company.

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

In the opinion of the Board, Ms. Cancilleri fulfils the conditions specified in the Act and the rules framed thereunder for appointment as the Director. The Board also considers that her association would be of immense benefit to the Company and it is desirable to avail her 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, she holds office as an Additional Director up to the date of the ensuing Annual General Meeting and being eligible, offers herself for appointment as a Director. 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, Karena Cancilleri, none of the Directors, Managers 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 31 December 2020, at a remuneration of Rs. 4,00,000/- (Rupees four lakh 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 of the Notice 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.

#### Item No. 7

Members may recall that at the 58th Annual General Meeting of the Company held on 27 March 2015, they had approved the payment of commission not exceeding one percent of the net profits computed in the manner laid down in Section 197 of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) to the Independent Directors of the Company for the period of 5 years, commencing from 1 January 2015 and ending on 31 December 2019.





It is proposed to continue with the payment of commission to the Independent Directors in terms of the provision of Section 197 of the Act and the rules made thereunder, in such amounts or proportions, as may be determined by the Board of Directors from time to time, for the further period of 5 years, commencing from 1 January 2020 and ending on 31 December 2024, and for that purpose, the Board recommends the Resolution set out in Item no. 7 of the Notice for the approval by the Members of the Company as a **Special Resolution**.

Save and except the Independent Directors, in their capacity of being the Directors of the Company, none of the other Directors, Managers or any other key managerial personnel or any of their relatives, is / are concerned or interested, whether financially or otherwise, in this Resolution.

**Registered Office:**  
Gat Nos. 922 & 923,  
Sanaswadi, Taluka Shirur,  
District Pune 412 208

By Order of the Board of Directors  
**Mahendra Kumar Dutia**  
Controller of Accounts & Company Secretary

Date: 23 July 2020

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

Particulars	Guy Franklin Young
Date of Birth	15 November 1969
Date of Appointment	25 January 2019
Qualifications	Member of the South African Institute of Chartered Accountants
Expertise in specific functional areas	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.  Has served as Chief Financial Officer of Tarmac and latterly Lafarge Tarmac, the British building materials company, from January 2011 to October 2015.  Has a wealth of financial and operational insight gained through his extensive international experience in the mining and industrial sectors.
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>
Number of Shares held in the Company	Nil
Relationship with any of the existing Director(s) of the Company	No

Particulars	Anita Belani
Date of Birth	19 January 1964
Date of Appointment	21 June 2019
Qualifications	M.B.A. from XLRI, Jamshedpur and B.A.(Hons) in Economics from Miranda House, University of Delhi.

Particulars	Anita Belani
Expertise in specific functional areas	<p>Has extensive human capital and consulting background to provide strategic leadership solutions to her clients.</p> <p>Responsible for CEO/ Board advisory assignments and specialised in the Private Equity / Venture Capital area in addition to focusing on diversified industrials. Her areas of expertise included helping clients solve their business issues through human capital solutions in such areas as change management, restructuring, organisational effectiveness, succession planning, leadership development and talent management.</p> <p>She was Country Head for Watson Wyatt India and was responsible for building a successful consulting brand for the organisation.</p>
Directorship held in all Public Limited Listed Companies	<ul style="list-style-type: none"> <li>• Foseco India Limited</li> <li>• Redington 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	<p><b>Stakeholders' Relationship Committee</b></p> <ul style="list-style-type: none"> <li>• Foseco India Limited</li> </ul> <p><b>Audit Committee</b></p> <ul style="list-style-type: none"> <li>• Foseco India Limited</li> </ul>
Number of Shares held in the Company	Nil
Relationship with any of the existing Director(s) of the Company	No

Particulars	Karena Cancilleri
Date of Birth	13 February 1967
Date of Appointment	31 October 2019
Qualifications	<p>Master's degree in Chemistry from University of Turin in Italy</p> <p>M.B.A. from the University of Strathclyde, Glasgow, United Kingdom.</p>
Expertise in specific functional areas	<p>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.</p> <p>Held management positions in companies such as Shell Chemicals, Kraton Corporation and FiberVisions.</p>
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 she is a Director	Nil
Number of Shares held in the Company	Nil
Relationship with any of the existing Director(s) of the Company	No

## Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 63rd Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31 December 2019.

### Financial Highlights

(All Figures in ₹ Lakhs)

Particulars	Accounting year ended 31-Dec-2019	Accounting year ended 31-Dec-2018
<b>Total Revenue from Operations</b>	<b>32,252.39</b>	<b>36,215.58</b>
Operating Expenses	(26,869.78)	(30,733.55)
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>5,382.61</b>	<b>5,482.03</b>
Finance Cost	(0.13)	(20.87)
Depreciation and amortisation expense	(419.70)	(453.90)
<b>Profit Before Tax (PBT)</b>	<b>4,962.78</b>	<b>5,007.26</b>
Total Tax Expense	(1,509.49)	(1,803.61)
<b>Profit for the Period (PAT)</b>	<b>3,453.29</b>	<b>3,203.65</b>
Other Comprehensive Income, net of tax	(83.03)	(81.00)
<b>Total Comprehensive Income for the Year</b>	<b>3,370.26</b>	<b>3,122.65</b>
Balance brought forward from previous year	9,386.78	8,341.41
<b>Recognition of Share Based Payment</b>	<b>46.91</b>	--
Amount available for appropriation	12,803.95	11,464.06
Appropriations:		
Interim Dividends	957.97	957.97
Final Dividend	638.65	766.38
Tax on Dividends (Interim and Final)	328.23	352.93
<b>Total Retained Earnings</b>	<b>10,879.10</b>	<b>9,386.78</b>

### Indian Accounting Standards (Ind-AS)

The Company has followed the Indian Accounting Standards (Ind-AS) for drawing up its accounts. This is the second year of adoption of Ind-AS by the Company.

### Financial Year of the Company

Your Company follows the Calendar Year from 1st January to 31st December as its Financial Year.

### Share Capital

The paid-up equity share capital of the Company as on 31 December 2019, stood at Rs. 638.65 lakh consisting of 63,86,459 equity shares of face value Rs. 10 fully paid-up.

## Transfer to Reserves

For the year 2019, no amount will be transferred to the General Reserves as was done in the earlier years. The earnings for the year will be retained in the Statement of Profit and Loss. In the previous year, an amount of Rs. 313.19 Lakhs was transferred to the General Reserves Account.

## Dividend

During the year, your Directors declared two Interim Dividends, as detailed below:

Particulars of Dividend	Date of declaration	Record Date	Dividend %	Dividend per share
1st Interim Dividend	25 July 2019	3 August 2019	80	Rs. 8
2nd Interim Dividend	31 October 2019	9 November 2019	70	Rs. 7

Your Directors are pleased to recommend for approval of the Members, a Final Dividend of Rs. 10/- per share (i.e., 100%), on an Equity Share of Rs. 10/- each, for the financial year ended 31 December 2019, taking the total dividend to Rs. 25/- per share (i.e., 250%) (previous year Rs. 25 per share i.e., 250%).

In the year 2019, the Company paid the Final Dividend for the financial year ended 31 December 2018 and two Interim Dividends for the financial year ended 31 December 2019, which inclusive of dividend distribution tax, aggregated to Rs. 1924.85 Lakhs, as compared to Rs. 2077.28 Lakhs in the previous period.

*Note: The above paragraph on 'Dividend' should be read in conjunction with the paragraph on 'Withdrawal of Dividend' given in the Addendum to the Directors' Report dated 23 July 2020, annexed to this Report.*

## Report on Corporate Governance, Management Discussion & Analysis Report and Business Responsibility Report

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015, a separate section titled Report on Corporate Governance together with a Certificate from the Practicing Company Secretary forms part of this Annual Report.

A detailed Management Discussion and Analysis Report and Business Responsibility Report are included as a part of this Annual Report.

## Subsidiaries

Your Company does not have any subsidiary / subsidiaries within the meaning of Section 2 of the Companies Act, 2013 ("Act"). 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, an extract of the Annual Return in Form No. MGT 9, as at the financial year ended 31 December 2019, is given in **Annexure A**, which forms part of this Board Report. The Annual Return is also hosted on the Company's website [www.fosecoindia.com](http://www.fosecoindia.com).



## Delisting of the Company's Shares from the Bombay Stock Exchange

The Company's Equity Shares are listed on the Bombay Stock Exchange Limited (BSE Limited) and the National Stock Exchange of India Limited. The Board of Directors have proposed to delist the Company's Equity Shares from the BSE Limited. In compliance with the SEBI (Delisting of Shares) Regulations, 2009, as amended from time to time, the Company has made an application for delisting from the BSE Limited. The matter is under progress. However, the Company's Equity Shares will continue to remain listed on the National Stock Exchange of India Limited, which provides nation-wide trading terminals.

## Number of Meetings of the Board

The Board of Directors met five times during the year 2019 on the following dates: 25 January 2019, 26 April 2019, 21 June 2019, 25 July 2019 and 31 October 2019. 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

Mrs. Indira Parikh, Independent Director of the Company resigned with effect from 28 March 2019, as she had other commitments which made it difficult for her to discharge her duties as a Director of the Company. Mr. Glenn Allan Cowie, a Non-Executive and Non-Independent Director, resigned with effect from 20 September 2019, from the Directorship of the Company. He left the employment with the Vesuvius plc group company to explore opportunities elsewhere. The Board places on record its appreciation of the valuable contributions made by them during their tenure as Directors of the Company.

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, **Mr. Guy Franklin Young (DIN: 0008334721)**, 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 himself for re-appointment. He has submitted a declaration that he is eligible for appointment. The Board recommends his re-appointment. A brief resume and other relevant details of his re-appointment is provided in the Corporate Governance Report which forms part of this Annual Report.

On the recommendation of the Nomination and Remuneration Committee, the Board has appointed **Ms. Anita Belani (DIN: 01532511)** as an Additional Independent Director for a period of 5 years with effect from 21 June 2019 to 20 June 2024, subject to the approval of the Members of the Company at the ensuing Annual General Meeting. She will not be liable to retire by rotation. The Board has taken on record the declarations and confirmations received from Ms. Belani that she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 after undertaking due assessment of the veracity of the same in terms of the requirements of Regulation 25 of the Listing Regulations and that there has been no change in the circumstances which may affect her status as Independent Director during the year.

On the recommendation of the Nomination and Remuneration Committee, the Board has appointed **Ms. Karena Cancilleri (DIN 0008598568)** as an Additional Director of the Company with effect from 31 October 2019, subject to the approval of the Members of the Company at the ensuing Annual General Meeting. Ms. Karena Cancilleri was nominated as a Non-Executive Non-Independent Director on the Board of the Company by the Holding Company, Foseco Overseas Limited.

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 (LODR), the practicing Company Secretary has issued a certificate to the Company to this effect which is annexed with this Report marked **Annexure B**.

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, no Non-Executive Director except Mr. Ajit Shah and the Nominee Directors appointed by the Promoter Company has had any pecuniary relationship or transactions with the Company.

The following persons are designated as Key Managerial Personnel of the Company:

1. Mr. Sanjay Mathur, Managing Director,
2. Mr. R Umesh, Chief Financial Officer,
3. Mr. Mahendra Kumar Dutia, Controller of Accounts and Company Secretary.

There was no change in the Key Managerial Personnel during the year 2019.

In pursuance of Rule 5 (iia) of the Companies (Accounts) Amendment Rules, 2019 which has come into effect from 1 December 2019, the Directors have to confirm that the said Rule is not applicable in the case of your Company as the appointment of Independent Director in the Company was made before the above date.

## 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. Ajit Shah 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.

## 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 of the Companies Act 2013. Hence, there are no details worth providing.

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

Pursuant to SEBI Circular No. SEBI/HO/DDRS/CIR/P/2018/144 dated 26 November 2018, the Directors confirm that your Company is not identified as a "Large Corporate" 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

Regulation 23 (1A) inserted in the SEBI (LODR) vide SEBI Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9 May 2018, which came into effect from 1 April 2019, laid down that a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transaction(s) during a financial year, exceed 2% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. Vide SEBI Notification No. SEBI/LAD-NRO/GN/2019/22 dated 27 June 2019, which came into effect from 1 July 2019, 2% of the annual consolidated turnover was substituted with 5%. Hence, for the intermediate period of 3 months, the transactions held with related parties were considered to be material under the SEBI (LODR).

However, under the Companies Act 2013, the above provisions are not applicable and therefore, all contracts / arrangements / transactions entered into by the Company during the financial year ended 31 December 2019 with related parties were on an arm's length basis and were in the ordinary course of business, 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 Obligations And Disclosure Requirements) Regulations 2015 [SEBI (LODR)], all related party transactions were placed before the Audit Committee for approval. Prior omnibus approval 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 [URL: FosecolIndia/View/policies.aspx](http://www.fosecoltdia.com/View/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 C** 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 D** forming part of this Report.

## Auditors and Auditors' Report

### Statutory Auditors

Price Waterhouse Chartered Accountants LLP (Firm registration no. - 012754N / N500016), Chartered Accountants, 7th Floor, Business Bay, Tower A, Wing - 1, Airport Road, Yerwada, Pune – 411006 are the Statutory Auditors of the Company.

The Members of the Company should note that the Securities Exchange Board of India ("the SEBI") had issued an order against the various firms of Price Waterhouse including Price Waterhouse Chartered Accountants LLP, the Statutory Auditors of your Company, ("PwC" or "the PwC") which inter alia, directed that entities / firms practicing as Chartered Accountants in India under the brand and banner of PW, shall not directly or indirectly issue any certificate of audit of listed companies, compliance of obligations of listed companies and intermediaries registered with SEBI and the requirements



under the SEBI Act, 1992, the SCRA 1956, the Depositories Act, 1996, those provisions of the Companies Act 2013 which are administered by SEBI under section 24 thereof, the Rules, Regulations and Guidelines made under those Acts which are administered by SEBI for a period of two years.

The Securities Appellate Tribunal of India (“the SAT”) had passed an order on 9 September 2019, quashing the SEBI Order as above. In light of the same, PwC will continue to hold office as the Statutory Auditors of the Company until the conclusion of the 65th Annual General Meeting to be held in the year 2022.

The observations of the Statutory Auditors on the annual financial statement for the year ended 31 December 2019 including the relevant notes to the financial statement are self-explanatory and therefore does not call for any further comments. The Auditors’ Report does not contain any qualification, reservation or adverse remark or disclaimer. The Auditors’ Report have 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 of the Board, 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 31 December 2018 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 re-appointed to conduct a secretarial audit of the Company’s Secretarial and related records for the year ended 31 December 2019. The Practicing Company Secretary has submitted the Secretarial Audit Report which is annexed as **Annexure E** to this Report. The same does not contain any qualification, reservation or adverse remark.

In addition to the above report, pursuant to SEBI circular dated 8 February 2019, a Report on Secretarial Compliance has been submitted by Rajesh Karunakaran & Co. There are no observations, reservations or qualifications in the said Report. The Secretarial Compliance Report is annexed as **Annexure F** 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).

### **Significant and Material Orders passed by the Regulators or Courts**

There are no significant and material orders passed by any Regulators or Courts which would impact the going concern status of the Company and its future operations.

### **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 **URL: [FosecoIndia/View/policies.aspx](http://FosecoIndia/View/policies.aspx)**.

## Policies of the Company

Your Company has posted the following documents on its website at **URL: [FosecoIndia/View/policies.aspx](http://FosecoIndia/View/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.

## Risk Management Framework

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.

## Corporate Social Responsibility (CSR)

The Board of your Company has constituted a CSR Committee. As on 31 December 2019, 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 G** 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 **URL: [FosecoIndia/View/policies.aspx](http://FosecoIndia/View/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.

Your Directors have to report that, during the year under review, neither any complaints of sexual harassment were received by it from the ICC, nor were there any complaints relating thereto which required any disposal thereof.

## 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 and other authorities.

The Directors also thank the Central and State Governments/Government Departments/Agencies for their co-operation.

The Board of Directors thanks all the stakeholders of the Company and the parent Company, for their valuable support.

For and on behalf of the Board of Directors

**Ravi Moti Kirpalani**

**Chairperson**

**DIN: 02613688**

Place: Pune

Date: 29 January 2020

## Addendum to the Directors' Report

Dear Members,

### Withdrawal of Dividend

Given the uncertainties associated with the nature of COVID-19 pandemic and its duration, the Directors thought it fit to conserve cash for continuing the Company's business operations smoothly, as far as may be. Accordingly, the Board of Directors at its meeting held on May 27, 2020, have decided to fully withdraw its recommendation for payment of a final dividend of Rs. 10/- per share (i.e., 100%) for the financial year ended 31 December 2019, that was earlier recommended by the Board in its Meeting held on January 29, 2020. The decision of withdrawal of final dividend was duly intimated to the Stock Exchanges. As such, the total dividend for the financial year ended 31 December 2019 shall remain at Rs. 15/- per share (i.e., 150%) being the total of the first and second interim dividend (previous year Rs. 25 per share i.e., 250%).

The recommendation of final dividend that is included in the Directors' Report dated January 29, 2020 is reproduced below:

*During the year, your Directors declared two Interim Dividends, as detailed below:*

<b>Particulars of Dividend</b>	<b>Date of declaration</b>	<b>Record Date</b>	<b>Dividend %</b>	<b>Dividend per share</b>
1st Interim Dividend	25 July 2019	3 August 2019	80	Rs. 8
2nd Interim Dividend	31 October 2019	9 November 2019	70	Rs. 7

*Your Directors are pleased to recommend for approval of the Members, a Final Dividend of Rs. 10/- per share (i.e., 100%), on an Equity Share of Rs. 10/- each, for the financial year ended 31 December 2019, taking the total dividend to Rs. 25/- per share (i.e., 250%) (previous year Rs. 25 per share i.e., 250%).*

*In the year 2019, the Company paid out the Final Dividend for the financial year ended 31 December 2018 and two Interim Dividends for the financial year ended 31 December 2019, which inclusive of dividend distribution tax, aggregated to Rs. 1924.85 Lakhs, as compared to Rs. 2077.28 Lakhs in the previous period.*

Without amending the said Directors' Report, a justification on withdrawal of the final dividend by way of this clarificatory note has been thought fit by the Board.

Members may please note that any mention of the recommendation of the final dividend for the financial year ended 31 December 2019 including the date of its payment, if any, made in the Notes to the Audited Annual Accounts and/or any other reports of the Board of Directors, should be treated as cancelled and considered null and void. The Annexures / Attachments to the Directors' Report dated January 29, 2020 should be read in conjunction with this Addendum Report.

### Audited Financial Statements

Due to the withdrawal of the final dividend for the financial year ended 31 December 2019, the financial statements stand amended to the extent that Note 34(b) and Note 37 therein should be read in conjunction with each other. Except this amendment, no other change has been made in the audited financial statements.

### Report on Corporate Governance

The Report on Corporate Governance dated 29 January 2020 has been amended to the extent of substituting the date of the Annual General Meeting and the date of closure of the Register of Members and Share Transfer Books of the Company, wherever it appears, to reflect the changed date.

## **Auditors and Auditors' Report**

### **Statutory Auditors**

The Statutory Auditors have submitted the amended Auditors' Report after addition of Note 37 to the annual financial statement for the year ended 31 December 2019. The amended Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer. The amended Auditors' Report have been issued with unmodified opinion on the annual financial results of the Company.

## **Acknowledgements**

The Board of Directors thanks all the stakeholders of the Company and the parent Company, for their continued support during this time of crisis.

Place: Mumbai  
Date: 23 July 2020

For and on behalf of the Board of Directors

**Ravi Moti Kirpalani**

**Chairperson**

**DIN: 02613688**



# ANNEXURE A

## EXTRACT OF ANNUAL RETURN

as at the financial year ended 31 December 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

i)	CIN	: L24294PN1958PLC011052
ii)	Registration Date	: 22-03-1958
iii)	Name of the Company	: FOSECO INDIA LIMITED
iv)	Category / Sub-Category of the Company	: Public Company Limited by Shares
v)	Address of the Registered Office and contact details	: Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur, Pune - 412208 Phone : +91 2137 668100
vi)	Whether Listed Company	: Yes
vii)	Name, Address and contact details of Registrar and Transfer Agent	: Link Intime India Pvt. Ltd. Block 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Pune - 411001 Phone : +91 20 26160084 / 26161629

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacturer of Foundry Chemicals & Fluxes	0108	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Foseco Overseas Limited. Fifth Floor, 265 Fleet Street London EC4A 2AE, United Kingdom	Foreign Company Not Obtained	Holding Company	58.00%	Section 2(46)

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### (i) Category-wise Share Holding

Category of Shareholders	Number of Shares held at the beginning of the year - As on 01-01-2019				Number of Shares held at the end of the year - As on 31-12-2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual /HUF	0	0	0	0	0	0	0	0	
b) Central Government	0	0	0	0	0	0	0	0	
c) State Governments	0	0	0	0	0	0	0	0	
d) Bodies Corporate	0	0	0	0	0	0	0	0	
e) Banks /Financial Institutions	0	0	0	0	0	0	0	0	
f) Any Other	0	0	0	0	0	0	0	0	
<b>Sub-total (A) (1) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals				0.00				0.00	
b) Other- Individuals				0.00				0.00	
c) Bodies Corporates	4788845	0	4788845	74.98	4788845	0	4788845	74.98	0.00
d) Banks / Financial Institutions				0.00				0.00	
e) Any other				0.00				0.00	
<b>Sub-total (A) (2) :</b>	<b>4788845</b>	<b>0</b>	<b>4788845</b>	<b>74.98</b>	<b>4788845</b>	<b>0</b>	<b>4788845</b>	<b>74.98</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)</b>									
<b>(A) = (A)(1) + (A)(2)</b>	<b>4788845</b>	<b>0</b>	<b>4788845</b>	<b>74.98</b>	<b>4788845</b>	<b>0</b>	<b>4788845</b>	<b>74.98</b>	<b>0.00</b>

Category of Shareholders	Number of Shares held at the beginning of the year - As on 01-01-2019				Number of Shares held at the end of the year - As on 31-12-2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds				0.00				0.00	0.00
b) Banks / Financial Institutions	290	200	490	0.01	809	200	1009	0.02	0.01
c) Central Government(s)				0.00				0.00	0.00
d) State Government(s)				0.00				0.00	0.00
e) Venture Capital Funds				0.00				0.00	0.00
f) Insurance Companies				0.00				0.00	0.00
g) Foreign Institutional Investors (FII)	4057	0	4057	0.06	4057	0	4057	0.06	0.00
h) Foreign Venture Capital Funds				0.00				0.00	0.00
i) Others (Specify)				0.00				0.00	0.00
<b>Sub-total (B) (1) :</b>	<b>4347</b>	<b>200</b>	<b>4547</b>	<b>0.07</b>	<b>4866</b>	<b>200</b>	<b>5066</b>	<b>0.08</b>	<b>0.01</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corporates									
i) Indian	75409	1221	76630	1.20	88538	1221	89759	1.40	0.20
ii) Overseas	733226	0	733226	11.48	733226	0	733226	11.48	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	597679	55196	652875	10.22	594667	48531	643198	10.07	-0.15
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	53600	0	53600	0.85	51600	0	51600	0.82	-0.03
c) NBFCs registered with RBI	1932	0	1932	0.03	1730	0	1730	0.03	0.00
d) Investor Education & Protection Fund A/c.	24736	0	24736	0.39	25616	0	25616	0.40	0.01
e) Others (specify)	49988	80	50068	0.78	47379	40	47419	0.74	-0.04
<b>Sub-total (B) (2) :</b>	<b>1536570</b>	<b>56497</b>	<b>1593067</b>	<b>24.95</b>	<b>1542756</b>	<b>49792</b>	<b>1592548</b>	<b>24.94</b>	<b>-0.01</b>
<b>Total Public Shareholding (B)</b>									
<b>(B) = (B)(1) + (B)(2)</b>	<b>1540917</b>	<b>56697</b>	<b>1597614</b>	<b>25.02</b>	<b>1547622</b>	<b>49992</b>	<b>1597614</b>	<b>25.02</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>6329762</b>	<b>56697</b>	<b>6386459</b>	<b>100</b>	<b>6336467</b>	<b>49992</b>	<b>6386459</b>	<b>100</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

SI No	Shareholder's Name	Number of Shares held at the beginning of the year - As on 01-01-2019			Number of Shares held at the end of the year - As on 31-12-2019			% change in shareholding during the year
		No of Shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	No of Shares	% of total shares of Company	% of shares Pledged/encumbered to total shares	
1	Foseco Overseas Limited	3704219	58.00	0	3704219	58.00	0	0.00
2	Foseco (U K) Limited	540560	8.46	0	540560	8.46	0	0.00
3	Vesuvius Holdings Limited	544066	8.52	0	544066	8.52	0	0.00
	<b>TOTAL</b>	<b>4788845</b>	<b>74.98</b>	<b>0</b>	<b>4788845</b>	<b>74.98</b>	<b>0</b>	<b>0.00</b>

**(iii) Change in Promoter's Shareholding (please specify if there is no change)**

SI No	Promoter's Shareholding	Shareholding at the beginning of the year - As on 01-01-2019		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	At the beginning of the year	4788845	74.98		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc) :	<b>No Change in Shareholding during the Year</b>			
	At the end of the year			4788845	74.98

(iv) **Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs )**

SI No	Details of the Top 10 Shareholders	Shareholding at the beginning of the year - As on 01-01-2019		Cumulative Shareholding during the year		
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company	
1	<b>Karibu Limited</b>					
	a) At the Beginning of the Year	733226	11.48			
	b) Changes during the Year		No Change during the year			
	c) At the end of the year			733226	11.48	
2	<b>IEPF Authority - Ministry of Corporate Affairs</b>					
	a) At the Beginning of the Year	24736	0.39			
	b) Changes during the Year	Date Reason				
		27.06.2019 Transfer	880	0.01	25616	0.40
	c) At the end of the year			25616	0.40	
3	<b>Nozer Jasi Shroff</b>					
	a) At the Beginning of the Year	25000	0.39			
	b) Changes during the Year	Date Reason				
		18.01.2019 Sale	-2000	-0.03	23000	0.36
	c) At the end of the year			23000	0.36	
4	<b>Shree Capital Services Limited</b>					
	a) At the Beginning of the Year	15309	0.24			
	b) Changes during the Year		No Change during the year			
	c) At the end of the year			15309	0.24	
5	<b>Suchitra Ganesh Shanbag</b>					
	a) At the Beginning of the Year	15000	0.23			
	b) Changes during the Year		No Change during the year			
	c) At the end of the year			15000	0.23	
6	<b>Digvijay Finance Limited</b>					
	a) At the Beginning of the Year	12578	0.20			
	b) Changes during the Year	Date Reason				
		25.01.2019 Purchase	1799	0.03	14377	0.23
	c) At the end of the year			14377	0.23	
7	<b>V Srinivasa Rangan</b>					
	a) At the Beginning of the Year	13600	0.21			
	b) Changes during the Year		No Change during the year			
	c) At the end of the year			13600	0.21	
8	<b>Anand Rathi Global Finance Limited</b>					
	a) At the Beginning of the Year	0	0.00			
	b) Changes during the Year	Date Reason				
		23.08.2019 Purchase	4000	0.06	4000	0.06
		30.08.2019 Purchase	1143	0.02	5143	0.08
		06.09.2019 Purchase	867	0.01	6010	0.09
		13.09.2019 Purchase	1329	0.02	7339	0.11
		20.09.2019 Purchase	393	0.01	7732	0.12
		27.09.2019 Purchase	800	0.01	8532	0.13
		04.10.2019 Purchase	68	0.00	8600	0.13
		11.10.2019 Purchase	250	0.00	8850	0.14
		18.10.2019 Purchase	200	0.00	9050	0.14
		01.11.2019 Purchase	1188	0.02	10238	0.16
		08.11.2019 Purchase	362	0.01	10600	0.17
	c) At the end of the year			10600	0.17	

SI No	Details of the Top 10 Shareholders	Shareholding at the beginning of the year - As on 01-01-2019		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
9	<b>NBI Industrial Finance Co. Ltd.</b> a) At the Beginning of the Year b) Changes during the Year c) At the end of the year	8887	0.14	8887	0.14
10	<b>Arvind Baburao Joshi</b> a) At the Beginning of the Year b) Changes during the Year c) At the end of the year	7777	0.12	7777	0.12
11	<b>Joseph Jivanayakam Daniel</b> a) At the Beginning of the Year b) Changes during the Year c) At the end of the year	6000	0.09	4961	0.08
		Date	Reason		
		09.08.2019	Sale	-1039	-0.02
		23.08.2019	Sale	-4961	-0.08
				0	0.00
				0	0.00

**(v) Shareholding of Directors and Key Managerial Personnel:**

SI No	Name of the Directors and KMP	Shareholding at the beginning of the year - As on 01-01-2019		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	<b>Mr. Ravi Moti Kirpalani</b> a) At the Beginning of the Year b) Changes during the Year c) At the end of the year	Nil	Nil	Nil	Nil
2	<b>Mr. Ajit Shah</b> a) At the Beginning of the Year b) Changes during the Year c) At the end of the year	Nil	Nil	Nil	Nil
3	<b>Mr. Sanjay Mathur</b> a) At the Beginning of the Year b) Changes during the Year c) At the end of the year	Nil	Nil	Nil	Nil
4	<b>Mr. Guy Franklin Young</b> a) At the Beginning of the Year b) Changes during the Year c) At the end of the year	Nil	Nil	Nil	Nil
5	<b>Ms. Anita Belani</b> a) At the Beginning of the Year b) Changes during the Year c) At the end of the year	Nil	Nil	Nil	Nil
6	<b>Ms. Karena Cancilleri</b> a) At the Beginning of the Year b) Changes during the Year c) At the end of the year	Nil	Nil	Nil	Nil
7	<b>Mr. R Umesh, CFO</b> a) At the Beginning of the Year b) Changes during the Year c) At the end of the year	1	0.00	1	0.00

SI No	Name of the Directors and KMP	Shareholding at the beginning of the year - As on 01-01-2019		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
8	<b>Mr. Mahendra Kumar Dutia, Company Secretary</b> a) At the Beginning of the Year b) Changes during the Year c) At the end of the year	Nil	Nil	No Change during the year	Nil

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year i.e. on 01.01.2019</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total ( i + ii + iii)</b>	Nil	Nil	Nil	Nil
<b>Change in Indebtedness during the Financial Year</b>				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	Nil	Nil	Nil	Nil
<b>Indebtedness at the end of the Financial Year i.e as on 31.12.2019</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total ( i + ii + iii)</b>	Nil	Nil	Nil	Nil

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Wholetime Directors and/or Manager :

SI No	Particulars of Remuneration	Sanjay Mathur - Managing Director	Total Amount
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	279.56 40.10	279.56 40.10
2	Stock Option		
3	Sweat Equity		
4	Commission - As a % of Profit - Others, specify		
5	Others, please specify		
	<b>TOTAL (A)</b>	<b>319.66</b>	<b>319.66</b>
	Ceiling as per the Act	Being 5% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013	

**B. Remuneration to other Directors :**

Particulars of Remuneration	Independent Directors					Total Amount in Rs. Lakhs
	Pradeep Mallick	Ajit Shah	Indira Parikh	Ravi Moti Kirpalani	Anita Belani	
Fee for attending Board/Committee meetings	-	8.20	1.90	8.20	3.50	21.80
Commission	2.41	7.00	7.00	1.41	-	17.82
Others, please specify						-
<b>Total (1)</b>	<b>2.41</b>	<b>15.20</b>	<b>8.90</b>	<b>9.61</b>	<b>3.50</b>	<b>39.62</b>
<b>Other Non-Executive Directors</b>						
Other Non-Executive Directors	Glenn Cowie	Guy Frankin Young	Karena Cancilleri			Total Amount in Rs. Lakhs
Fee for attending Board/Committee meetings	-	-	-			-
Commission	-	-	-			-
Others, please specify						-
<b>Total (2)</b>						
<b>TOTAL (B) = (1 + 2)</b>	<b>2.41</b>	<b>15.20</b>	<b>8.90</b>	<b>9.61</b>	<b>3.50</b>	<b>39.62</b>
<b>Total Managerial Remuneration (A + B)</b>						<b>359.28</b>
<b>Overall Ceiling as per the Act</b>						<b>Being 6% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

SI No	Particulars of Remuneration	Key Managerial Personnel		
		R Umesh - CFO	Mahendra Kumar Dutia - Company Secretary	Total Amount in Rs. Lakhs
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	86.79	30.95	117.74
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	13.54	2.57	16.11
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission - As a % of Profit - Others, specify			
5	Others, please specify			
	<b>TOTAL</b>	<b>100.33</b>	<b>33.52</b>	<b>133.85</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty, Punishment, Compounding fees imposed	Authority RD/NCLT COURT	Appeals made if any (give details)
<b>A. COMPANY</b>	Nil	Nil	Nil	Nil	Nil
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>	Nil	Nil	Nil	Nil	Nil
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>	Nil	Nil	Nil	Nil	Nil
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

**Ravi Moti Kirpalani**  
Chairperson  
DIN: 02613688

Place: Pune

Date: 29 January 2020





## ANNEXURE B

### 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 of  
Foseco India Limited  
having its registered office at  
Gat No. 922 and 923 Sanaswadi, Tal Shirur,  
Pune – 412208

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Foseco India Limited having CIN L2429PN1958PLC011052 and having registered office at Gat No. 922 and 923, Sanaswadi, Tal Shirur, Pune - 412208 (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 V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 31st December, 2019 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 and DIN	Category and effective date of apt. and cessation.
1.	*Ravi Moti Kirpalani (DIN: 02613688)	Chairperson, Independent, <b>*(Appointed as Director with effect from 26th October 2018)</b>
2.	*Sanjay Mathur (DIN: 00029858)	Managing Director <b>*(Appointed as Director with effect from 1st April 2007)</b>
3.	*Ajit Shah (DIN: 02396765)	Independent, Non-Executive <b>*(Appointed as Director with effect from 17th October 2013)</b>
4.	*Guy Franklin Young (DIN: 08334721)	Non-Independent, Non-Executive. <b>*(Appointed as a Director with effect from 25 January 2019.)</b>
5.	*Anita Belani (DIN: 01532511)	Independent, Non-Executive <b>*(Appointed as an Additional Independent Director with effect from 21 June 2019.)</b>
6.	*Karena Cancilleri (DIN: 08598568)	Non-Independent, Non-Executive. <b>*(Appointed as an Additional Director with effect from 31 October 2019.)</b>
7.	*Glenn Allan Cowie (DIN: 07163534)	Non-Independent, Non-Executive <b>*(Resigned from the Board with effect from 20 September 2019)</b>
8.	*Indira Parikh (DIN: 00143801)	Independent, Non-Executive <b>*(Resigned from the Board with effect from 28 March 2019)</b>

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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  
C.P. - 6581  
FCS No. 7441

Pune, 29th January 2020.  
UDIN: F007441B000120158.

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## ANNEXURE C

### 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 in its units. Various avenues are being explored at periodic interval and after careful analysis and planning measures are being initiated to minimise the consumption of energy by optimum utilisation of energy consuming equipment.

During the year under review, the following measures were initiated/adopted for conservation and optimum utilisation of energy:

- Reduction in DG power usage by shifting MSEDCL High Tension power-source feeder to the feeder having less frequency of interruption in power supply.
- Installation of Harmonics Active Filters – It has resulted in reduction of power supply harmonics distortion from 25% to less than 5%, thus enhancing the life of electrical / electronic equipments and improving power quality.
- Power factor was maintained close to unity. It helped in reducing reactive power losses in the system.

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

- Feasibility study done for installation of solar power plant of a capacity of 150kWp.

3. Capital investment on energy conservation equipment:

- Harmonics filters
- Capacitor bank upgradation for improvement in power factor

#### 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:**

Improved Coating Formulation absorbed from Foseco International Technical team for automotive casting passage cleanliness.

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

Manufacturing process setup is established in India for manufacturing of Sedex filters.

2. **Benefits derived as a result 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:

**Product Improvement:** Productivity improvement is done due to Recipe Engineering of Feeding system product.

**Cost Reduction/Pollution Control:** The INSTA range of coatings has reduced the usage of plastic buckets and sufficient cost benefit for both, the Company and Customer.

**Product Indigenisation:** Major part of Filter Raw materials are indigenised, resulted in 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 passage cleanliness

Filter – Manufacture and process control of Sedex Filters.

(b) **Year of Import:**

Ferrous Coating – 2019

Filters – 2019

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

Ferrous Coating – Yes

Filters – Yes

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

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

a) **Capital** : Rs. 11.56 Lakh (previous year Rs. 46.05 Lakh)

b) **Revenue** : Rs. 86.73 Lakh (previous year Rs. 90.61 Lakh)

c) **Total** : **Rs. 98.29 Lakh** (previous year Rs. 136.66 Lakh)

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

	Current Year (in Rs. Lakhs)	Previous Year (in Rs. Lakhs)
a) Total Foreign exchange earned in terms of actual inflows	2,644.64	2,412.93
b) Total Foreign exchange outgo in terms of actual outflows	5,258.88	4,537.92

For and on behalf of the Board of Directors

**Ravi Moti Kirpalani**

**Chairperson**

**DIN: 02613688**

Place: Pune

Date: 29 January 2020

## ANNEXURE D

### 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 31 December 2019:

Name of the Director / KMP	Designation	Ratio of the remuneration of each Director and KMP to the median remuneration	% increase in the remuneration in the financial year
Ajit Shah	Non-Executive Director	1.78	9.35%
Ravi Moti Kirpalani	Non-Executive Director	1.13	0.00%
Anita Belani	Non-Executive Director	0.41	0.00%
Sanjay Mathur	Executive Director	37.43	7.88%
Indira Parikh	Non-Executive Director	1.04	-35.97%
Pradeep Mallick	Non-Executive Director	0.28	-83.49%
Guy Franklin Young	Non-Executive Director	-	--
Karena Cancilleri	Non-Executive Director	-	--
Glenn Allan Cowie	Non-Executive Director	-	--
R Umesh	Chief Financial Officer	11.75	13.82%
Mahendra Kumar Dutia	Company Secretary	3.92	11.07%

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

- b) The median remuneration of the employees of the Company during the financial year ended 31 December 2019 was **Rs. 8.54 Lakhs** (previous year **Rs. 7.79 Lakhs**).
- c) The percentage increase in the median remuneration of employees in the financial year was **9.63%** (previous year **15.96%**)
- d) The number of permanent employees on the rolls of the Company: **215** as on 31 December 2019 (previous year **220**).
- 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.**

**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 31 December, 2019**

Sr. No.	Name	Designation	Gross Remuneration (Rs. Lakhs)	Qualifications	Experience (Years)	Date of Commencement of Employment	Age	Last Employment held Name of the Company	%age of Equity Share Held
<b>Employed throughout the year</b>									
1	Sanjay Mathur	Managing Director	319.66	B.E. (Chemical), Master of Marketing, Australia Advanced Management Programme, Australia DipFM, ACCA, UK	32	21-Apr-2007	54	Pennzoil Quaker State India Ltd.	
2	R Umesh	Chief Financial Officer	100.33	B. Com., L.L.B., F.C.A.	32	12-Aug-2004	56	GE Power Controls India Pvt. Ltd.	--
3	Vineet Thakar	Sales, Marketing & Technology - Director	119.60	B.Tech (Aerospace), MBA, USA	22	03-Dec-2018	48	Shell India Markets Pvt. Ltd.	
<b>Employed for part of the year</b>									
4	Daljit Banga	Operations Director - Foundry India & Asean	76.96	B.E in Mechanical Engineering, Executive General Management Program, IIM Bangalore	25	11-Jan-2019	46	GE Oil & Gas India Limited	
5	Ujjal Bhattacharjee	HR Director - India & Asean	28.19	Doctor of Philosophy (Ph.D.) in Management, MPM, B.Sc (Chemistry Honors), Dip. Labour Law & Welfare, Dip. Training & Development	20	16-Sep-2019	45	GKN Sinter Metals India	
6	P M Deshpande	Process And Engineering Director - Foundry	260.90	B.E. (Mechanical), MMS (Operations)	36	14-Nov-1985	60	Oil and Natural Gas Corporation of India	--
7	Arun Singh	Head - HR & Administration	56.79	B.E. (Mechanical), MMS (Operations) Executive General Management Program, XLRI Jamshedpur	23	04-Feb-2016	44	Tata BlueScope Steel Ltd	
8	Achyut V Wagh	Head Sales Ferrous North	85.30	B.E. (Metallurgy)	28	01-Apr-1992	52	Bajaj Tempo Ltd.	
9	Sunil Nivrutti Gavasane	Head - Indirect Channel	44.06	M.E. (Production)	19	01-Mar-2018	41	Kennametal India Ltd.	
10	Sanjay Gandhi	Business & Key Account Manager	51.73	B. Sc.	39	17-May-1982	59	Krishna Steel Industries Ltd.	--

Note :

- All appointments are / were contractual, as per the rules of the Company.
- "Gross Remuneration" includes salary, bonus, allowances, leave travel allowance, exgratia, employer's contribution to provident fund and superannuation fund, personal accident, GPA 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 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.

For and on behalf of the Board of Directors

**Ravi Moti Kirpalani**  
**Chairperson**  
**DIN: 02613688**

Place: Pune  
Date: 29 January 2020

# ANNEXURE E

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2019

[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 31st December 2019 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 31st December 2019 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 31st December 2019, having a major bearing on the Company affairs.

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

Pune, 29th January 2020  
UDIN : F007441B000120048

**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**

Pune, 29th January 2020  
UDIN : F007441B000120048

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## ANNEXURE F

**Secretarial Compliance Report of Foseco India Limited  
for the year ended 31st December 2019  
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 us 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 31st December 2019 ("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 (Share Based Employee Benefits) Regulations, 2014;
- (d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;  
and circulars/ guidelines issued thereunder;
- (e) SEBI (Depositories and Participants) Regulations, 1996;
- (f) SEBI (Depositories and Participants) Regulations, 2018

and based on the above examination, I hereby report that, during the Review Period i.e FY ended 31st December 2019:

- (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 there under 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**

Pune, 29th January 2020  
UDIN : F007441B000120048

## ANNEXURE G

### Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year ended 31 December 2019

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: <http://www.fosecoindia.com>.**

2. Composition of the CSR Committee as on 31 December 2019:

<b>Name</b>	<b>Designation</b>
Anita Belani	Chairperson
Ajit Shah	Member
Ravi Moti Kirpalani	Member
Sanjay Mathur	Member

3. Average net profit of the Company for last three financial years: **The average net profit of the Company for the last three financial years as calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 was Rs. 5134.48 Lakhs**
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): **Rs. 102.69 Lakhs**
5. Details of CSR spent during the financial year:
  - a) Total amount to be spent for the financial year **Rs. 102.69 Lakhs**
  - b) Total amount spent during the financial year **Rs. 106.28 Lakhs**
  - c) Amount unspent, if any **NIL**
  - d) Manner in which the amount spent during the financial year **Details given below**

**Manner in which the amount spent during the financial year**

(Rs. In Lakhs)

Sl. No.	CSR Project or activity identified	Sector in which project is covered	Projects or Programmes 1) Local area or other 2) Specify the State and district where Projects or Programmes were undertaken	Amount Outlay (budget) Project or Programmes-wise	Amount spent on the Projects or Programmes subheads: 1) Direct expenditure on projects or programmes 2) Overheads	Cumulative Expenditure up to the reporting period	Amount spent direct or through implementing agency
1.	Building science laboratories in village schools and providing Innovative Digital Education Platform	Child Education & Technology	Various schools in Pune, Maharashtra	18.06	0.49	18.06	Rotary Club of Pune East Charitable Trust
2.	Juvenile Diabetes Programme run by Hirabai Cowasji Jehangir Medical Research Institute, Pune	Healthcare	Pune, Maharashtra	29.95	22.50	29.95	Direct
3.	Building science laboratories, toilet blocks and digital classrooms in village schools	Education, Healthcare & Technology	Various schools in Maharashtra	52.00	44.00	44.00	Rotary Club of Pune East Charitable Trust
4.	Technology Integration in classrooms and training to teachers in use of technology	Education	Various schools in Maharashtra	26.00	15.75	15.75	Rotary Club of Khadki
5.	Scholarship to girl students	Education	Various schools in Pune	7.35	7.35	7.35	Rotary Club of Pune East Charitable Trust
6.	Development of school infrastructure	Education	Puducherry	2.84	2.84	2.84	Direct
7.	Prevention of cervical cancer and anaemia in girls	Healthcare	Various schools in Pune	10.75	7.75	7.75	Rotary Club of Pune East Charitable Trust & Rotary Club of Pune Downtown

Sl. No.	CSR Project or activity identified	Sector in which project is covered	Projects or Programmes 1) Local area or other 2) Specify the State and district where Projects or Programmes were undertaken	Amount Outlay (budget) Project or Programmes-wise	Amount spent on the Projects or Programmes subheads: 1) Direct expenditure on projects or programmes 2) Overheads	Cumulative Expenditure up to the reporting period	Amount spent direct or through implementing agency
8.	Technological upgradation in a local police station	Technology	Police Station located near Company premises	0.60	0.60	0.60	Direct
9.	Installing rain water harvesting system in a school	Environment Preservation	Pune	15.00	5.00	5.00	Rotary Club of Pune East Charitable Trust
			<b>Total</b>	<b>162.55</b>	<b>106.28</b>	<b>131.30</b>	

6. 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 the reasons for not spending the amount in its Board's Report  
**The actual amount spent by the Company on CSR activities during the year exceeded the prescribed limit.**
7. A responsibility statement of the CSR Committee  
**The implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.**

For and on behalf of the Board of Directors

**Anita Belani**

Chairperson (CSR Committee)

**Sanjay Mathur**

Managing Director

Dated: 29 January 2020

Place: 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 (LODR) 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** – **C**ourage, **O**wnership, **R**espect and **E**nergy.

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 **URL: [FosecoIndia/View/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 31 December 2019, the Board of the Company comprised of six Directors - One Executive Director and five Non-Executive Directors, of whom three are 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 26 October 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 is working as the Managing Director and CEO of Thyssenkrupp India Private Limited since March 2016. He provides strategic direction to and has oversight of all Thyssenkrupp group companies in India. Prior to joining Thyssenkrupp, he worked with Castrol / BP in India and in the UK. In his last assignment, he was the Managing Director of Castrol India Limited, a public limited listed company in India. Mr. Kirpalani brings over 36 years of 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 does not hold Directorship with any other listed entities in India, except Foseco India Limited. He is the 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 and the Corporate Social Responsibility Committee of the Board. Mr. Kirpalani is not related to any of the existing Directors of the Company and does not hold any shares in the Company.

#### (b) **SANJAY MATHUR (DIN: 00029858), Managing Director**

Mr. Sanjay Mathur is the Managing Director of the Company since 1 April 2007. His present term as the Managing Director will come to an end on 31 March 2022. He is a Bachelor of Engineering (Chemical) from Punjab University, Chandigarh, has done Advanced Management Programme from Melbourne Business School, Master of Marketing from Monash University, Australia and holds a Diploma in Financial Management (Dip FM) from ACCA, U.K. Mr. Sanjay Mathur has a wide-ranging experience in Marketing, Sales, Supply Chain and General Management in his career spanning 33 years. Mr. Sanjay Mathur has held many senior positions like Operations and Industrial Sales Manager at Hasco & Shell, Yemen. He has been at the helm of Organisations for last 18 years starting as Acting General Manager of Hasco & Shell, Yemen (2001-2003), Managing Director of Pennzoil Quaker State India Limited (2003-2007) before taking over as Managing Director of Foseco India Limited on 1 April 2007. Since then his role has also been expanded to include roles of Area Director, Foundry India in 2008, Area Director, Foundry India & ASEAN in 2012 and Vice President, Vesuvius Foundry India & ASEAN in 2015.

Mr. Sanjay Mathur does not hold Directorship with any other listed entities in India, except Foseco India Limited. He is a Member each of the Stakeholders' Relationship Committee and the Corporate Social Responsibility Committee

of the Board of the Company. Although he is not a Member of the Audit Committee, he attends all the Meeting as he is a permanent invitee to these Meetings. He is not related to any of the existing Directors of the Company and does not hold any shares in the Company.

**(c) AJIT SHAH (DIN: 02396765), Non-Executive Independent Director**

Mr. Ajit Shah is a Non-Executive Independent Director on the Board of Foseco India Limited since 17 October 2013. Mr. Ajit Shah is an eminent Chartered Accountant in practice since 1971. He is a Senior Partner at M. A. Parikh & Co., a firm of Chartered Accountants in Mumbai.

Mr. Ajit Shah specialises in the field of Audits and Assurances, domestic and international transfer pricing, valuation and consultancy in the field of finance and taxation. He is associated as consultant with well-known multinational groups like Merck, Germany, WPP Group, UK, Pacific International Lines (PIL), Singapore, Mitsui OSK Lines, Japan and certain companies of the Tata Group.

As on date, Mr. Ajit Shah is an Independent Director on the Board of the following listed companies:-

- i) Foseco India Limited,
- ii) Sunshield Chemicals Limited, and
- iii) Haldyn Glass Limited

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

- i) Foseco India Limited - Chairperson each of the Audit Committee and the Nomination and Remuneration Committee and a Member each of the Board's Stakeholders' Relationship Committee and the Corporate Social Responsibility Committee,
- ii) Sunshield Chemicals Limited - Chairperson of Audit Committee and a Member of the Corporate Social Responsibility Committee, and
- iii) Haldyn Glass Limited - Chairperson each of the Audit Committee and the Stakeholders' Relationship Committee.

He is not related to any of the existing Directors of the Company and does not hold any shares in the Company.

**(d) GUY FRANKLIN YOUNG (DIN: 0008334721), 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 25 January 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 1 November 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.



**(e) ANITA BELANI (DIN: 01532511), Non-Executive Independent Director**

Ms. Anita Belani is a seasoned professional with 30 plus 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 specialises in assignments across sectors, leveraging her extensive human capital and consulting background to provide strategic leadership solutions to her clients. She was also responsible for CEO / Board advisory assignments and specialized in the Private Equity / Venture Capital area in addition to focusing on diversified industrials. Her areas of expertise included helping clients solve their business issues through human capital solutions in such areas as change management, restructuring, organizational effectiveness, succession planning, leadership development and talent management. She was Country Head for Watson Wyatt India and was responsible for building a successful consulting brand for the organization.

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, and
- ii) Redington India Limited

She is the Chairperson of the Corporate Social Responsibility Committee of the Board of the Company and also a Member each of the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders' Relationship 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.

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

Ms. Karena Cancelleri was appointed as a Director on the Board of the Company on 31 October 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 Cancelleri, aged 52 years, 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. Cancelleri joined Vesuvius plc on 1 October 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. Cancelleri 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. Cancelleri 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.

## 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 (LODR) Regulations.

However, some commercial transactions have taken place with some of the Companies where an Independent Director is also a Director of that other company. Such transactions have 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 (LODR) Regulations.

## Independent Directors

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

As mandated by the Regulation:

- all the Independent Directors, in the opinion of the Board of Directors, are persons of integrity and possesses relevant expertise and experience;
- none of the Independent Directors are or were promoter of the Company or its Holding, Subsidiary or Associate Company or Member of the Promoter Group of the Company;
- none of the Independent Directors are related to Promoters or Directors of the Company, its Holding, Subsidiary or Associate Company;
- apart from receiving Director's remuneration, none of the Independent Directors of the Company have or had any pecuniary relationship with the Company or have had any transaction(s) exceeding 10% of their respective total income, with the Company, its Holding, Subsidiary or Associate Company, or their Promoters, or Directors, during the two immediately preceding financial years or during the current financial year;
- none of the relative(s) of the Independent Directors —
  - (i) is/are holding any security of or interest in the Company, its Holding, Subsidiary or Associate Company during the two immediately preceding financial years or during the current financial year;
  - (ii) is/are indebted to the Company, its Holding, Subsidiary or Associate Company or their Promoters, or Directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
  - (iii) has or have given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its Holding, Subsidiary or Associate Company or their Promoters, or Directors of such Holding Company, for an amount of Rs. 50 lakh or such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or
  - (iv) has any other pecuniary transaction or relationship with the Company, or its Subsidiary, or its Holding or Associate Company or their Promoters, or Directors amounting to 2% or more of its gross turnover or total income or Rs. 50 lakh singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii) above;



- neither the Independent Directors themselves nor any of their relative(s) —
  - (i) holds or have held the position of a key managerial personnel or is or have been an employee of the Company or its Holding, Subsidiary or Associate Company in any of the three financial years immediately preceding the financial year in which they are proposed to be appointed;
  - (ii) is or have been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which they are proposed to be appointed, of —
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its Holding, Subsidiary or Associate Company; or
    - (B) any legal or a consulting firm that has or had any transaction with the Company, its Holding, Subsidiary or Associate Company amounting to ten per cent or more of the gross turnover of such firm;
  - (iii) holds together with their relatives 2% or more of the total voting power of the company; or
  - (iv) is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives 25% or more of its receipts or corpus from the Company, any of its Promoters, Directors or its Holding, Subsidiary or Associate Company or that holds 2% or more of the total voting power of the Company; or
  - (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- all the Independent Directors possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.
- none of the Independent Directors of the Company are less than 21 years of age.
- none of the other Company in which the Independent Director of the Company is/are not a Non-independent Director of that other Company, on the Board of which, any Non-Independent Director of the Company is an Independent Director.

## Board and Committee Memberships

As mandated by Regulation 26(1) of SEBI (LODR) 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 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 2019.

The numbers shown in the table below, excludes Directorships and Committee Memberships of Private Limited Companies, Foreign 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 five Board Meetings were held during the year 2019 on the following dates: 25 January 2019, 26 April 2019, 21 June 2019, 25 July 2019 and 31 October 2019. The maximum time gaps between any two Board Meetings was less than 120 days.

Composition of the Board and the Directorships held as on **31 December 2019** is as follows:

Name of the Director	Category	Number of Board Meetings attended during the year 2019	Attendance at the last AGM	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	5	Yes	1	2	1
Sanjay Mathur (DIN: 00029858)	Managing Director	5	Yes	1	1	--
Ajit Shah (DIN: 02396765)	Independent, Non-Executive	5	Yes	3	5	4
Guy Franklin Young (DIN: 08334721)	Non-Independent, Non-Executive	3	Yes	1	1	--
Anita Belani (DIN: 01532511)	Independent, Non-Executive	2	--	2	2	--
Karena Cancilleri (DIN: 08598568)	Non-Independent, Non-Executive	-	--	1	--	--
Glenn Allan Cowie (DIN: 07163534)	Non-Independent, Non-Executive	4	Yes	--	--	--
Indira Parikh (DIN: 00143801)	Independent, Non-Executive	1	--	--	--	--

1. Mr. Guy Young was appointed as a Director with effect from 25 January 2019.
2. Ms. Anita Belani was appointed as an Additional Independent Director with effect from 21 June 2019.
3. Ms. Karena Cancilleri was appointed as an Additional Director with effect from 31 October 2019.
4. Mrs. Indira Parikh resigned from the Board with effect from 28 March 2019.
5. Mr. Glenn Allan Cowie resigned from the Board with effect from 20 September 2019.

### 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 on 28 January 2020, 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 Managing Director and 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 hold an unanimous opinion that the Non-Independent Directors bring with them decades of

experience in Business and that their knowledge and experience are found invaluable to the Company. They are highly knowledgeable of the Group's global and regional operations. They are also found to be highly engaging, focused, committed, participative, and possess good listening skills. The Directors possess deep experience and knowledge about the processes both with regard to the business, financial and accounting matters which are very useful to the Audit Committee and the Board. The non-Independent Directors are committed to the Company Values and effectively participate in Board and Committee Meetings, offering suggestions for improvements.

The Directors are of the view that the Chairperson provides effective and insightful leadership to the Board, encourages active engagement and participation by all the Members. He communicates with all the Members effectively and gives valuable inputs and suggestions to the Management and the Members of the Board which are very useful to the Company and the Management.

The information provided by the Company Management is complete, of high quality and furnished with full disclosure in a professional and timely manner. The Management is open to sharing overall information, and not just the good news. The Directors are appreciative of quality and depth of knowledge of the Company Management.

### **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 can be viewed on the Company's website at **URL: [www.fosecointia.com/View/policies.aspx](http://www.fosecointia.com/View/policies.aspx)**.

### **Skills, Expertise and Competencies of Directors**

The Board has identified the following core skills, expertise and competencies required in the context of Company's business operations and sector for it to function effectively and those available with the Board:

1. Management and Business Strategy
2. Financial Expertise
3. Human Resources and Industrial Relations
4. Audit and Risk Management
5. Corporate Governance
6. Economics and Statistics
7. Regulatory and Compliance matters

### **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.

**Notice and Agenda distributed in advance:** The Company's Board / Committees are presented with detailed notes, alongwith 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 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 31 December 2019 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 **URL: [www.fosecointia.com/ View/policies.aspx](http://www.fosecointia.com/View/policies.aspx)**.

### Committees of the Board

As on 31 December 2019, the Company had: Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and the Corporate Social Responsibility 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 (LODR) Regulations.

All the Committees were re-constituted during the year. 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. Ajit Shah, 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. Ajit Shah, 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 2019 on 25 January 2019, 26 April 2019, 25 July 2019 and 31 October 2019. The maximum time gaps between any two Committee Meetings was less than 120 days.

Name of the Directors	Number of meetings held during the respective tenure of the director during the year	Number of meetings Attended
Ajit Shah	4	4
Ravi Moti Kirpalani	4	4
Guy Franklin Young	3	2
Anita Belani	2	2
Indira Parikh	1	1

### 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 Accounting Standard 18 on the Related Party Transactions 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 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 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;
- Recommend to the Board the appointment of the Statutory Auditors, including the terms of appointment;
- 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:-

- identify persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- carry out evaluation of every Director's performance along with the Board;
- 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;
- formulate the criteria for performance evaluation of Independent Directors and the Board of Directors;
- devise a policy on Board diversity;
- appointment of any Director as the Member Chairperson, if thought fit, of various Committees of the Board;
- 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.
- all remuneration, in whatever form, payable to senior management;
- ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

### Composition

As on 31 December 2019, the Committee comprised of four Members – Mr. Ajit Shah as Chairperson, Mr. Ravi Moti Kirpalani and Ms. Anita Belani as Non-Executive Independent Directors and Ms. Karena Cancilleri as Non-Executive Non-Independent Director.

**Nomination and Remuneration Committee Meetings and Attendance of Directors** – During the year, four Meetings of the Nomination and Remuneration Committee were held on 24 January 2019, 26 April 2019, 21 June 2019 and 31 October 2019. The attendance of the Members at these Meetings 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
Ajit Shah	4	4
Ravi Moti Kirpalani	4	4
Anita Belani	1	1

Name of the Directors	Number of meetings held during the respective tenure of the director during the year	Number of meetings Attended
Karena Cancilleri	0	0
Indira Parikh	1	1
Glenn Allan Cowie	3	3

### 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 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 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 31 December 2019, the Company has paid the following remuneration to the Managing Director:

Salary and bonus	Rs. 279.56 lakhs
Total perquisites	Rs. 40.10 lakhs
<b>Total</b>	<b>Rs. 319.66 lakhs</b>

The present term of the Managing Director is for a period of three years which will come to an end on 31 March 2022. The contract with the Managing Director can be terminated by mutual agreement with no severance fees payable.

### (B) Non-Executive Independent Directors

Non-Executive Independent Directors are paid sitting fees for attending the Board and Committee Meetings, plus the reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them. Non-Executive Independent Directors receive commission, which in total does not exceed 1% of the net profits of the Company computed under Section 198 of the Companies Act, 2013. The amount of commission is based on the overall financial performance of the Company and of the Board of Directors.

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 2019 is summarised below:

Directors	Sitting Fees for the year 2019 (Rs. in lakhs)	Commission for the year 2018 (Rs. in lakhs)
Ajit Shah	8.20	7.00
Ravi Moti Kirpalani	8.20	1.41
Anita Belani	3.50	--
Pradeep Mallick	--	2.41
Indira Parikh	1.90	7.00

The commission for the year 2019 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.

### 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, out of which three of them are Independent Directors – Ms. Anita Belani as the Chairperson, with Mr. Ajit Shah, Mr. Ravi Moti Kirpalani and Mr. Sanjay Mathur 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, three Meetings of the CSR Committee were held on 24 January 2019, 25 July 2019 and 31 October 2019. 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	2	2
Ajit Shah	3	3
Sanjay Mathur	3	3
Ravi Moti Kirpalani	3	3
Indira Parikh	1	1

### CSR Policy

The CSR Policy is available on the website of the Company at **URL: Fosecolndia/View/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:

- i. the measures taken for effective exercise of voting rights by the shareholders;
- ii. the adherence to service standards adopted by the Company in respect of services extended by the Registrar and Share Transfer Agent;
- iii. the measures and initiatives taken to reduce the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants and annual report by the shareholders of the Company.

### Composition

As on 31 December 2019, the Committee comprised of four Members: Mr. Ravi Moti Kirpalani, a Non-Executive Independent Director as Chairperson, Mr. Ajit Shah, Ms. Anita Belani and Mr. Sanjay Mathur as its Members. 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 2019 on the following dates: 24 January 2019, 26 April 2019, 25 July 2019 and 31 October 2019. The attendance of the Directors at these Meetings are 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
Ajit Shah	4	4
Sanjay Mathur	4	4
Anita Belani	2	2
Indira Parikh	1	1

### 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 31 December 2019

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 warrant	Nil	Nil	Nil	Nil	Nil
Non-receipt of Share Certificate	Nil	Nil	Nil	Nil	Nil
Non-receipt of Annual Report	Nil	1	Nil	1	Nil
Others	Nil	1	Nil	1	Nil
<b>Total</b>	<b>Nil</b>	<b>2</b>	<b>Nil</b>	<b>2</b>	<b>Nil</b>

All complaints have been resolved to the satisfaction of shareholders.

### 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
31 December 2018	22 April 2019	1200 Hrs	At the Company's Registered Office at <b>Gat Nos. 922 &amp; 923, Sanaswadi, Taluka Shirur, Pune - 412 208</b>	1. Reappointment of Ajit Shah as an independent director of the Company; 2. Adoption of the new Articles of Association
31 December 2017	24 April 2018	1200 Hrs	- Do -	NIL
31 December 2016	27 April 2017	1200 Hrs	- Do -	NIL

### Special Resolution passed through Postal Ballot

During the financial year ended 31 December 2019, no special resolution was 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 September 2020, 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 31 December 2019.

### 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 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 not made presentation to any institutional investors or to any analysts.

### General Shareholders Information

#### 63<sup>rd</sup> Annual General Meeting

The 63<sup>rd</sup> Annual General Meeting will be held on Thursday, 10 September 2020 at 1430 Hours (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM). 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 1<sup>st</sup> January to 31<sup>st</sup> December as its Financial Year.

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

Financial Reporting 2019	From	To	Probable Date(s)
1st Quarter	January	March	4th week of May 2020
2nd Quarter	April	June	4th week of July 2020
3rd Quarter	July	September	4th week of October 2020
4th Quarter	October	December	4th week of January 2021
Annual General Meeting for the financial year ending 31 December 2020			April / May 2021

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

**Date of Closure of the Register of Members and Share Transfer Books of the Company:** From **Friday, 4 September 2020 to Thursday, 10 September 2020 (both days inclusive)**.

### Stock Exchange Listing

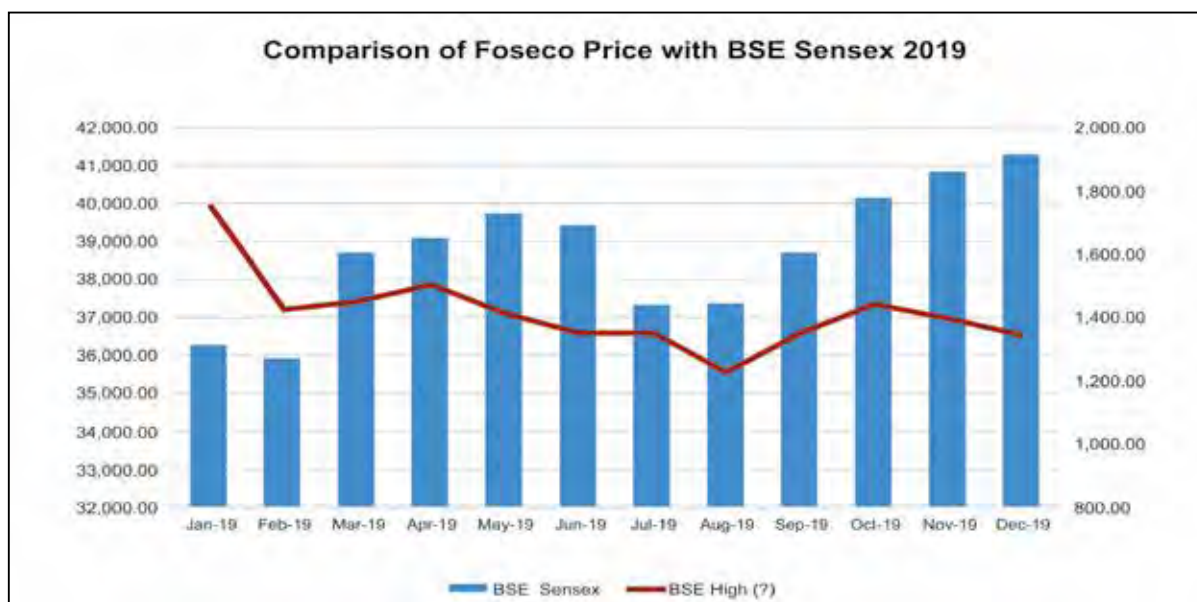
Stock Exchange	Stock Code	Listing Fees Paid Up to	ISIN
BSE Limited	500150	31.03.2020	INE519A01011
National Stock Exchange of India Limited	FOSECOIND	31.03.2020	INE519A01011

### 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 31 December 2019 were:

Month	BSE Sensex	BSE	BSE	NSE	NSE
		Share Price		Share Price	
		High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Jan-19	36,256.69	1,755.50	1,343.35	1,760.00	1,320.05
Feb-19	35,867.44	1,425.00	1,300.00	1,403.60	1,302.00
Mar-19	38,672.91	1,450.00	1,340.00	1,449.00	1,340.00
Apr-19	39,031.55	1,503.05	1,382.00	1,489.00	1,365.00
May-19	39,714.20	1,415.55	1,275.00	1,444.35	1,225.00
Jun-19	39,394.64	1,353.45	1,252.00	1,345.95	1,247.10
Jul-19	37,481.12	1,353.00	1,178.55	1,348.35	1,152.25
Aug-19	37,332.79	1,230.00	1,142.00	1,248.00	1,139.40
Sep-19	38,667.33	1,353.90	1,193.05	1,372.65	1,175.40
Oct-19	40,129.05	1,443.00	1,261.55	1,449.00	1,260.00
Nov-19	40,793.81	1,396.95	1,273.35	1,399.90	1,275.00
Dec-19	41,253.74	1,342.10	1,260.00	1,343.90	1,250.10

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



The Company has not received any intimation from either the BSE Limited or the National Stock Exchange of India Limited during the year ended 31 December 2019, 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, 2nd floor, Off Dhole Patil Road, Near Ganesh Mandir, Pune-411001.

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

Email: mangesh.kulkarni@linkintime.co.in;

pune@linkintime.co.in.

Website: www.linkintime.co.in.

### Share Transfer System

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 transfers and transmissions of shares are processed within a period of 15 days from the date of receipt of transfer documents provided the 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 requirement laid down in Regulation 40(9) of the SEBI (LODR) Regulations, the Company has obtained half-yearly certificates from Practising 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 31 December 2019 there were no valid requests pending on account of the above.

### Reconciliation of Share Capital Audit Report

As required under Regulation 55A of SEBI (Depositories and Participants), Regulations, 1996, 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 31 December 2019 was carried out by a Practising Company Secretary whose reports were submitted with the Stock Exchanges, within the stipulated time-limit. The reports were also placed before the Board of Directors at its Meetings.

### Shareholding Distribution

The distribution of shareholding as at 31 December 2019 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	8195	97.71	4860340	7.61
5,001 to 10,000	102	1.22	777050	1.21
10,001 to 20,000	42	0.50	600170	0.94
20,001 to 30,000	22	0.26	531750	0.83
30,001 to 1,00,000	15	0.18	699550	1.10
1,00,001 and above	11	0.13	56395730	88.31
<b>Total</b>	<b>8387</b>	<b>100.00</b>	<b>63864590</b>	<b>100.00</b>

The nature of shareholding is summarised below:

Category	Total Number of Shares	% of Total Number of Shares
Foreign Promoters	4788845	74.98
Foreign Companies	733226	11.48
NRIs /FIIs/FPIs	25329	0.40
IEPF Account	25616	0.40
Banks, NBFCs, FIs, Mutual Funds and UTI	2739	0.05
Private Corporate Bodies	89759	1.41
Trusts, HUFs, Clearing Members	26147	0.40
Indian Public	694798	10.88
<b>Total</b>	<b>6386459</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 connectivity with both the depositories i.e., NSDL and CDSL. As on 31 December 2019, approximately 99.21% 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 dematerialized form only

As per SEBI's notification SEBI/LAD-NRO/GN/2018/24 dated 8 June 2018, securities held in dematerialized 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 dematerialized form with the depositories. The shareholders are requested to dematerialize 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 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, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Pune - 411 001 (Phone No. 020-2616 1629 / 2616 0084, Email: 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.

### Equity Shares lying in the Suspense Account

In compliance with Para F of Schedule V to the SEBI (LODR) 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.



**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

### **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 (LODR) Regulations. The policy has been placed on the website of the Company at **URL: [FosecoIndia/View/policies.aspx](http://FosecoIndia/View/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 **URL: [FosecoIndia/View/policies.aspx](http://FosecoIndia/View/policies.aspx)**.

#### **Dividend Policy**

Foseco's dividend policy is based on the belief that our shareholders should decide how best to utilise their funds retained in the Company that is surplus to the medium term cash requirements of the business. Therefore, the Company's dividend policy is to return to the shareholders that cash, which in the opinion of the Board, is in excess

to the medium term cash requirements. In determining the future cash requirements of the business, the Board includes the following in its review:

- Working capital to support growth
- Capital investment to expand capacity and to maintain existing facilities
- Potential for acquisitions
- Possibility of contingent liabilities crystallising
- The projected business performance and internal cash generation
- Possible funding requirements
- Macro-economic and fiscal environment
- Contingency planning

#### 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
2012 – Final	22-Apr-2013	27-May-2020
2013 - 1st interim	22-Apr-2013	27-May-2020
2013 - 2nd interim	14-Aug-2013	18-Sep-2020
2013 - 3rd interim	17-Oct-2013	21-Nov-2020
2013 – Final	22-Apr-2014	27-May-2021
2014 - 1st interim	09-May-2014	13-Jun-2021
2014 - 2nd interim	21-Jul-2014	25-Aug-2021
2014 - 3rd interim	14-Nov-2014	19-Dec-2021
2014 – Final	27-Mar-2015	01-May-2022
2015 - 1st interim	24-Apr-2015	29-May-2022
2015 - 2nd interim	22-Jul-2015	26-Aug-2022
2015 - 3rd interim	20-Oct-2015	24-Nov-2022
2015 – Final	26-Apr-2016	01-Jun-2023
2016 - 1st interim	20-Jul-2016	25-Aug-2023
2016 - 2nd interim	20-Oct-2016	25-Nov-2023
2016 - Final	27-Apr-2017	01-Jun-2024
2017 - 1st Interim	27-Jul-2017	31-Aug-2024

Year	Date of Declaration	Due Date for Transfer
2017 - 2nd Interim	11-Nov-2017	16-Dec-2024
2017 - Final	24-Apr-2018	29-May-2025
2018 - 1st Interim	18-Jul-2018	22-Aug-2025
2018 - 2nd Interim	26-Oct-2018	30-Nov-2025
2018 – Final	26-Apr-2019	31-May-2026
2019 - 1st Interim	25-Jul-2019	29-Aug-2026
2019 - 2nd Interim	31-Oct-2019	05-Dec-2026

Members who have not encashed their dividend warrants are requested to write to the Company's Registrar and Transfer Agents viz., Link Intime India Private Limited and have them revalidated and 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 **URL: [Fosecoindia.com/View/Information\\_on\\_Transfer\\_of\\_Shares\\_to\\_IEPF.aspx](http://Fosecoindia.com/View/Information_on_Transfer_of_Shares_to_IEPF.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 (LODR) Regulations, the Company's RTA maintains the bank details of their 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 Bank, the RTA issues 'payable-at-par' warrants / cheques for making payments to the investors. The RTA mandatorily prints the bank account details of the investors on such payment instruments and in cases where the bank details of investors are not available, the address of the investor on such payment instructions are printed. Where the amount payable as dividend exceeds Rs. 1500, the 'payable-at-par' warrants or cheques 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.fosecoidia.com](http://www.fosecoidia.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 (LODR) 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 (LODR) Regulations.

The Company has adopted following non-mandatory requirements as specified in Part E of Schedule II of the SEBI (LODR) 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 duties.
- During the year under review, the Auditors have issued an unmodified opinion(s) in the Auditors' Report on the Company's financial statements.
- The Chairperson of the Company and the Managing Director / CEO are different persons.
- 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 / subsidiaries, therefore no policy have been framed by the Company.

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

The principal raw materials of the Company are zircon, phenol, inoculants 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.

Your Directors have to report that, during the year under review, neither any complaints of sexual harassment were received by it from the ICC, nor were there any complaints relating thereto which required any disposal thereof.



#### **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 (LODR) 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).

#### **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 (LODR) Regulations. The Certificate is annexed to this Report.

For and on behalf of the Board of Directors  
**Ravi Moti Kirpalani**  
**Chairperson**  
**DIN: 02613688**

Place: Pune  
Date: 29 January 2020

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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 31 December 2019, 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  
**Sanjay Mathur**  
**Managing Director**

Place: Pune  
Date: 29 January 2020

## 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 31st December, 2019, 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**

Pune, 29th January 2020

UDIN : F007441B000120103



# 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 supply of consumables and solutions related to the foundry industry. FOSECO as the name stands originates from the term **FO**undry **SE**rvices **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 the 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. Foseco 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. Helping 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 process 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 Strength

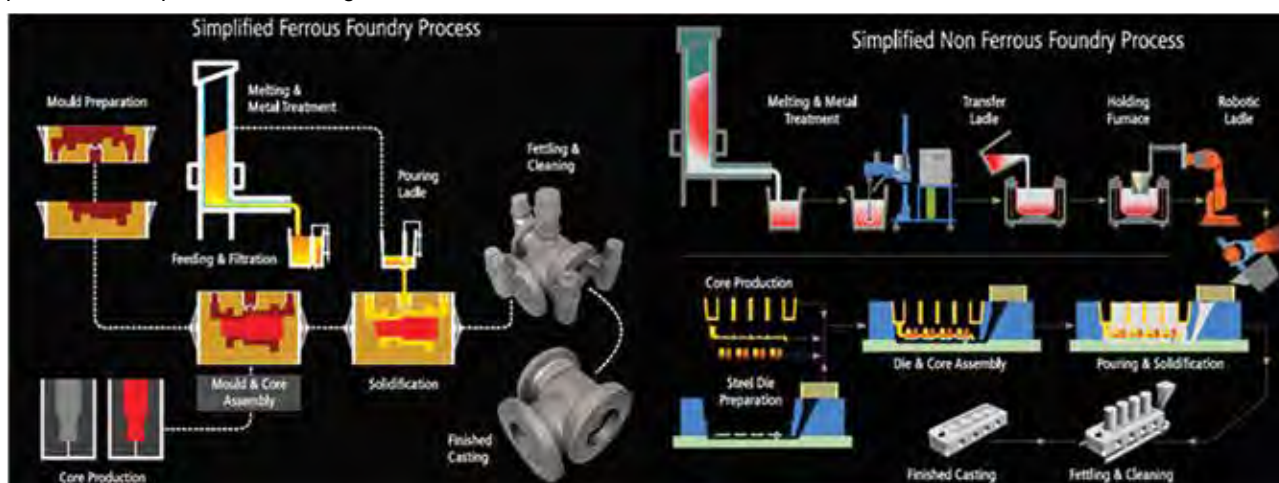
- **Solutions Offering:** Our local and international team continuously work on developing new toolkits based on detailed knowledge of customer's processes so as to offer innovative /customised solutions
- **Products Offering:** Full range of high quality products and services
- **Innovation:** Industry-leading 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 OUR 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, 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 India follows the strategy of "Solution Partnering" that is founded on five core area 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 reducing environmental impact by using environmentally friendly products that conserves natural resources. It continually works to improve its Solutions 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:



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



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

**Process Control:** Foseco's range of sophisticated and State-of-the-Art Process Control equipments help 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.



Our offerings to various 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 whilst 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 filter 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 Global economic growth in 2019 was one of the slowest in a decade. Rising trade-barriers and associated uncertainty weighed on business sentiment and activity globally. Further pressure came from country-specific weakness in emerging markets like Brazil, Russia and India. In addition, there were geo-political tensions, social unrests and worsening financial conditions in certain countries. With the economic environment becoming uncertain, companies cut down on long term capital spending resulting in decelerated purchases of machinery and equipment globally. Private consumption of durable goods also weakened, particularly evident with automobiles, where regulatory changes, new emission standards and the shift to share-rides weighed on sale of vehicles in several countries. Faced with sluggish demand for durable goods and rising inventories, companies scaled back industrial production. Global trade which is intensive in durable final goods and the components used to produce them slowed down considerably. Globally, several central banks reacted aggressively to the weaker activity by cutting interest rates, multiple times during the year, thus averting a deeper slowdown. Moreover, the private consumption of non-durable goods has been stable, and so has been the unemployment rates, thus giving hope for the next year. Any recovery in the pace of growth in 2020 will depend heavily on emerging markets outside of China. Monetary policy is largely exhausted in key central banks and fiscal headroom is limited to few countries. China's producer-price deflation is very discouraging with globally weaker 'investment grade' borrowers at risk.

### **Indian Economy – Opportunities and Threats**

The year started off with a hope that the Indian economy will start picking up post the General Elections. However as the year progressed, economic indicators showed that the economy was in reverse gear. At the beginning of the year, most international financial institutions and credit rating agencies predicted that India's GDP growth rate for 2019-20 would be around 6-7%. But by the end of the year, these institutions and agencies had revised their estimates towards the downside. The Reserve Bank of India in its December 2019 monetary report had scaled down the GDP numbers to a measly 5% in 2019-20, as opposed to 7.2% that it had predicted in April the same year. The Index of Industrial Production (IIP) which works as a barometer for the industrial sector of the country, also witnessed a steep fall contracting to its lowest level in seven years. Not just production and consumption, even the sentiments around economic issues waned in the past year as both producers and consumers became pessimistic. While 2019 seems to have been a gloomy economic year, the





aspiration for India to be a \$5 trillion economy and various measures proposed by the government will hopefully revive sentiments and growth in the current year.

### **Foundry Market Insights**

India continues to be the second largest casting producer in the world, behind China. The Indian foundry industry manufactures metal cast components for applications in Auto, Tractor, Railways, Machine tools, Sanitary, Pipe Fittings, Defence, Aerospace, Earth Moving, Textile, Cement, Electrical, Power machinery, Pumps / Valves, Wind turbine generators etc. Despite an unprecedented slowdown in 2019, the prospects for the Indian foundry industry look positive in the medium term. India has the demographic advantage and as the economy picks up, the demand for castings will increase. In the second half of 2019, the automotive industry was beset with large inventory built-up in anticipation of demand uptick for vehicles. Contrary to that, the demand slowed down substantially with the result that major foundries had to halt their operations temporarily between 2 to 3 weeks so as to clear their inventory. The situation has improved since, with the automotive industry started filling the supply chain with BS-VI compliant vehicles. Last year, the monsoon was good with tractors sale picking up appreciably. The government is expected to continue increasing its investment on improving the railways and building other essential infrastructure, creating increased demand for construction, mining and general engineering goods. With uncertainty around US-China trade relations diminishing and increasing environmental and labour costs in the Europe, Indian foundry industry could be an attractive option for sourcing castings.

Some of the challenges faced by the industry in general may continue for some more time. The liquidity crisis is worsening, banks are reluctant to lend to companies who are already facing disruptions in cash flows due to weak demand. The environmental regulations are getting tighter which is forcing foundries to look at new technologies. The drive towards Electric Vehicles will change the kind of castings to be produced. The speed at which the transition will happen remains to be seen. Technology like 3D printing can be a huge disruptor, though currently the commercial viability is weak.

### **New Government Initiatives**

The Institute of Indian Foundrymen (IIF) has chalked out a Vision Plan 2020 to recommend the needed initiatives for rapid growth so as to emerge as a leading supplier of quality castings in the global market. An implementing agency for the India Foundry Mission (IFM) will assist the industry in monitoring market growth efficiently. To some extent, it will help Foseco to meet its customers requirement of products that goes into the manufacturing of castings.

### **Key growth drivers of the market**

Foundries across India are presently upgrading facilities and technologies in a bid to improve their productivity and increase capacity. To cater to the growing demand, this industry is embarking on major expansions and technological initiatives. Majority of the foundry units in India fall under the MSME sector, which has registered consistent growth over the years. About 55% of the MSMEs are based out of rural areas, indicating the deployment of a significant rural workforce in the MSME sector.

Re-implementation of Public Procurement Policy, Pradhan Mantri MUDRA Yojana, Make in India, Startup India, and Skill India initiatives are helping in the growth of the MSME sector in the country. The MSME sector is likely to reap significant benefit of the government programmes which will go a long way in the revival of the foundry industry. These developments will in turn improve Foseco's market share.

## **FOSECO'S PERFORMANCE HIGHLIGHTS**

2019 has been a challenging year, with sharply deteriorating market conditions in its main end markets of Foundry. Yet, Foseco demonstrated its ability to react and adapt with courage and resolve to these challenging market conditions. Foseco will continue to maintain its pre-eminent position despite the market conditions.

Foseco India is best geared to serve the foundry industry in the currently volatile, uncertain, complex and ambiguous (VUCA) environment. The Company continues to partner with the foundries to provide products and solutions leveraging

its technology leadership position. It has started commercialising new technologies that is helping the foundries reduce the usage of plastic, produce castings that meet the cleanliness requirement of BS-VI vehicles and reducing their carbon footprint. Its global outreach and foundry process expertise is helping it to introduce the global best practices in Indian foundries. The Company is also helping global original equipment manufacturers (OEMs) to source castings from India. Major customers assign premium value to the company for providing technological solutions to their production process and therefore they continue to give increased share of their business to the Company, thus helping it to increase its overall share of the foundry market.

The Company implemented the necessary actions to adapt its manufacturing facilities to face the market with these new economic challenges. Thanks to this strong response, the Company is now in a good position to confront the challenges of the coming months and years. At the same time, it intensified its R&D and new product development efforts, with the clear objective to prepare the ground for the reinforcement of its long-term leadership in the markets. To meet the ever-growing demand of the foundry industry of high-grade filter products, the Company has set up a state-of-the-art filter facility to cater to the domestic market. The customers will be greatly benefitted, as it will help them reduce their input costs by sourcing the filters locally, which were otherwise imported by them in the past.

The Company's first priority in 2020 will be to grow the sales and reinforce its market position in the foundry industry, in all divisions and in every region. While doing so, it will also focus on improving its working capital performance, particularly in relation to overdue debtors and inventory days reduction. At the same time, the commitment towards 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 optimised manufacturing cost base, and above all, the strong support and commitment of its people, the Company is confident of meeting with success.

### Financial Performance

Table 1: Abridged Profit and Loss Account (Rs. in Lakh)

Particulars	2019	2018
Total Revenue from Operations	32252	36216
Operating Expenses	(26869)	(30734)
EBITDA	5383	5482
Depreciation	(420)	(454)
PBIT	4963	5028
Finance Charges	--	(21)
PBT	4963	5007
Tax	(1510)	(1804)
PAT	3453	3203

During the year under review, the Company witnessed a drop in sales revenue by 11%. Sales was weak in comparison to the previous year due to downturn in the automotive industry, which contributes to 40% of the total sales. Despite that, the bottomline was better. The Profit Before Tax remained almost at the same level, but Profit After Tax was higher by 7.8% in comparison with the previous year. The Company undertook series of measures like better price management in a very competitive market, control over discretionary expenses, improved product-mix and customer-mix, focus on value-added



projects, etc. Added to this, the reduction in the income tax rates by the Government helped the Company to register higher profit. The Company stepped-up the collection drive during the later part of the year in a bid to reduce its exposure in customers account in a weak liquidity situation of the industry. The Company generated Rs. 4702 Lakh cash from its operations in 2019 as against Rs. 4710 Lakh in 2018.

Table 2: Key Financial Ratios

Particulars	2019	2018
PBIT/ Total Revenue	15.38%	13.88%
PAT/ Total Revenue	10.71%	8.84%
ROCE	28.82%	31.73%
RONW	20.15%	20.52%
Debt Equity Ratio	--	--
Current Ratio	2.70	2.53
Debtors Turnover	4.42	4.16
Inventory Turnover	9.00	11.42

#### 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 and Environment (HSE)

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 OHSAS 18001:2007. 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. This initiative had resulted in 2319 safety improvement opportunities identified and implemented at the manufacturing sites during the year 2019 against 2333 improvement opportunities in 2018. To increase HSE awareness amongst employees, Foseco regularly conducts internal competition and participates in competitions organised by trade bodies.

#### Quality and Reliability

Reliability in quality and delivery is vital to Foseco's customers as they use its products in critical areas of their processes. Reliability therefore is a primary commitment of Foseco, 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. A new "Turbo Q" quality initiative, launched a few years ago, has been instrumental in continuous improvement of quality standards and processes.

#### Operations

Foseco India 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 of the entire supply chain process – from purchase to 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 new challenges in customer satisfaction. These initiatives are very well backed by innovative engineering practices and solutions. A new filter manufacturing line has been installed and commissioned at Pune to penetrate the local market. This line has many new features like robotic arm foam feeder etc. A new Precision sleeve making machine is also installed at Pune to augment plant capacities and the electrical infrastructure of the plant upgraded to support the increasing requirements.

### **Human Resources**

Human Resources is Foseco's greatest strength and a foundation for long-term success. The Company practices a set of values CORE (Courage, Ownership, Respect and Energy) which are imbedded into every employees right from the time of their joining which continues during the course of employment. The team works on few big projects like Success Factors which includes major HR activities like Annual Performance Management and Compensation Review.

During the year, Vesuvius plc. launched I Engage – A first global Employee Culture & Engagement programme, which includes a company-wide employee survey, giving the employees the opportunity to express their views, opinions and suggestions about the Company and the top management, with the aim of making the Company an even better place to work. This helps the Company and the management to know where it stands today in creating an inspiring and positive work environment. Whether the management is successful in supporting an entrepreneurial spirit, empowerment and sense of accountability? It is glad to note that a 91% participation rate was achieved in this survey. The result will help in developing the improvement and action plans.

The monthly engagement initiative 'Masti Time 2.0', where the employees participate and mingle with their colleagues and play games, has turned out to be a big draw. It acts as a team-building platform. The employees display a lot of interest in the area of fitness activities like trekking and cycling in Pune which received very good response from the people. Numerous technical competency building programmes were conducted for Sales & Marketing teams along with measuring the returns based on Jack Phillip's model. A Sales, Marketing & Technology conclave was organised for the Managers of customer facing functions. Another employee welfare initiative Project MUSKAAN gives Foseco employees an outlet for their thoughts and feelings, maintaining delicate work-life balance, engaging with the society, etc. These initiatives proved to be very effective in adding to the motivation of employees encouraging them to put their best for the success and growth of the organisation.

### **Corporate Social Responsibility Initiatives**

As always, Foseco India continued with its CSR initiatives in the areas of education especially girl-child education, healthcare, social causes, environment and information technology.

During the year, in the field of education, the Company has developed infrastructures in a government school, constructed science laboratories and provided e-learning kits to several schools and colleges, constructed digital classrooms with all the modern state-of-the-art technology, provided scholarship to meritorious girl students supporting them in their higher studies. In association with the Rotary Club of Khadki, the Company has done various training programs in schools for teachers where it recognised an acute shortage and underutilisation of technology in teaching. The Company will continue with these projects into the next year.

While in the area of healthcare, it had organised camps in association with Jehangir Hospital for detecting juvenile diabetics in young boys and girls and supporting their families by distributing medicine and diabetics kits for the treatment of diabetes. In association with Rotary Clubs, the Company organised camps for providing vaccines for prevention and treatment of cervical cancer and anemia detection in young girls, who are vulnerable to these dreaded diseases. Besides this, the Company had constructed toilet blocks in several schools and colleges.



The Company is sensitive towards environment and social requirements. It is in the process of installing rain water harvesting system in a school which will greatly help in maintaining the ecosystem. The local police station in whose area the Company's office is located, needed the information technology infrastructure to help in passport verification process. The Company supported them by providing tablets for the purpose.

In the financial year ended 31 December 2019, many ambitious projects were completed and some of them remained in progress, to which the Company is committed for completion. Apart from that, the Company has received proposals for working on several projects which are within the ambit of its CSR Policy. The Board of Directors of the Company are passionate to undertake some of these projects which will be of great help to the society in the long run.

### **Information Technology**

Foseco's IT systems are on SAP Business One. The SAP Business One ERP has been seamlessly integrated with the Vesuvius manufacturing application, HALO and the Purchase Requisition System. 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 that 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 program 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 the Government regulations, tax laws, and other factors such as litigation and industrial relations.**

For and on behalf of the Board of Directors

**Ravi Moti Kirpalani**

**Chairperson**

**DIN: 02613688**

Place: Pune

Date: 29 January 2020

# Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L24294PN1958PLC011052
2	Name of the Company	Foseco India Limited
3	Registered Address	Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur, Pune – 412 208
4	Website	<b>www.fosecoindia.com</b>
5	E Mail ID	<b>investor.grievance@vesuvius.com</b>
6	Financial Year Reported	January 1, 2019 to December 31, 2019
7	Sector(s) that the Company is engaged in (Industrial Activity Code-wise)	NIC Code 0108. Manufacturer of Foundry Chemicals & Fluxes
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	1. Industrial Dry Powders, 2. Coating Products, 3. Resin Products.
9	Total number of locations where business activity is undertaken by the Company	(a) Number of International Locations (Provide details of major 5: The company does not have any international location.  (b) Number of National Locations: There Company operates from 2 locations in India – Pune, Maharashtra and Union Territory of Puducherry.
10	Markets served by the Company – Local/State/ National/International	National & International markets

## SECTION B: FINANCIAL DETAILS

1	Paid up capital	Rs. 638.65 Lakh
2	Total Turnover – Revenue from operations	Rs. 32,252.39 Lakh
3	Total profit after taxes	Rs. 3,453.29 Lakh
4	Spending on Corporate Social Responsibility (CSR) as a %age of average profit for last 3 financial years	2%, Rs. 102.69 Lakh was spend during the year ended 31 December 2019.
5	List of activities in which expenditure in 4 above has been incurred	Child Education, Healthcare, Women Empowerment, Technology, Social Causes and Environment Preservation.

## SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	The Company does not have any subsidiary.
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No entity that the Company does business with, participate in the BR initiatives of the Company

## SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

### 1. Details of the Director / Director responsible for implementation of the BR and BR Head:

#### BR Director and BR Head

Name	Designation	DIN	Telephone	Email ID
Sanjay Mathur	Managing Director	00029858	02137-668100	sanjay.mathur@vesuvius.com

### 2. Principle-wise as per National Voluntary Guidelines (NVGs) BR Policies

The NVGs on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3 (P3)	Businesses should promote the well-being of all employees.
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5 (P5)	Businesses should respect and promote human rights.
Principle 6 (P6)	Businesses should respect, protect, and make efforts to restore the environment
Principle 7(P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

## BR Policies and coverage of NVG nine principles

Sr. No.		P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethics & Transparency	Product Responsibility	Human Resources	Corporate Social Responsibility	Respect for human rights	Protect the environment	Public Policy Advocacy	Inclusive Growth	Customer Engagement
1	Is there a policy for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Has the policy been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Does the Company have a specified committee of the Board / Director / Official appointed to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Indicate the link for the policy to be viewed online	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
8	Has the policy been communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have an in-house structure to implement the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Does the Company have a grievance redressal mechanism to address stakeholders' grievances related to the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
11	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	-	-	-	-	-	-	-	-	-

\* All Policies as approved by the Board of Directors can be viewed online on the website of the Company: [www.fosecoindia.com](http://www.fosecoindia.com) under the heading 'Investor Information' – 'Policies & Other Disclosures' Section.

**Notes:**

- (1) The policies have been developed based on the best practices or as per the regulatory requirements.
- (2) Some of the policies are linked to the following National / International Standards: International Organization for Standardization (ISO 9001, ISO 14001) and Occupation Health and Safety Assessment Series (OHSAS 18001).
- (3) The policies are internally evaluated by the Management and the Board.

**3. Governance related to BR:**

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The Managing Director and senior management of the Company monitor various aspects of social, environmental, governance and economic responsibilities of the Company on a continuous basis. The BR performance is reviewed by the Board of Directors on an annual basis. During the year under review, the CSR Committee met three times, while the Stakeholders Relationship Committee of Directors met four times each, to take cognisance of the BR.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

This is the first time the Company has prepared the BR Report. Henceforth, it will be published on an annual basis. The BR report will be placed on the Company's website. The hyperlink is: <http://fosecoindia.com/View/policies.aspx>.

The publication of the Business Sustainability Report is not applicable to the Company.

## **SECTION E: PRINCIPLE-WISE PERFORMANCE**

### **PRINCIPLE 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

The Company's governance practices are administered by the Board of Directors and committees. Its robust framework ensures that its daily operations are conducted in a transparent and accountable manner. The Company's zero tolerance in the matters relating to unethical practices, bribery and corruption, has helped it to gain the confidence and trust of its stakeholders. These policies extend to the Group, the Suppliers and the Contractors too. and 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. The policy also provides contact details of the Chairperson of the Board and the Audit Committee apart from that of the Managing Director and the Chief Financial Officer for direct access.

No stakeholder complaints were received during the financial year 2019.

### **PRINCIPLE 2: Business should provide goods and services that are safe and contribute to sustainability throughout their cycle**

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:

**Productivity Improvement:** Productivity improvement is done due to Recipe Engineering of Feeding system product.

**Cost Reduction/Pollution Control:** The INSTA range of coatings of the Company, has reduced the usage of plastic buckets which has resulted in sufficient cost benefit to the Company and the customers.

Your Company has a dedicated Research & Development Team that is focused on creating innovative products for its customers that meet global standards and are environmentally sustainable, reflecting its commitment to environmental sustainability.

Your Company has also undertaken other initiatives and energy efficient measures at its office premises such as use of LED lights. It has embraced an e-waste management system. The waste generated at the Company is handed over to the e-waste recycling vendor who picks up the e-waste and disseminates it carefully for safe disposal as per the statutory norms.

**PRINCIPLE 3: Businesses should promote the well-being of all employees**

Creativity and innovation with a culture of care and concern for the employees enhances value creation for all its stakeholders. An employee welfare initiative Project MUSKAAN gives Foseco employees an outlet for their thoughts and feelings, maintaining delicate work-life balance, engaging with the society, etc. Through it the employees can reach out and speak to a counsellor and seek advice on physical and mental health. Employee well-being is ensured through regular medical check-ups and other benefits provided in accordance with medical needs. The Company practices a set of values CORE (Courage, Ownership, Respect and Energy) which are imbedded into every employees right from the time of their joining which continues during the course of employment. An extensive commentary on the well-being of the employees is covered in the 'Management Discussion and Analysis' Report.

**PRINCIPLE 4: Business should respect the interests of and be responsive towards all stakeholders especially those who are disadvantaged, vulnerable and marginalized.**

The Company's CSR activities focus on the disadvantaged, vulnerable and marginalised segments of society. The Company's collaborative partnerships with communities are manifest in its CSR based programmes. CSR projects are undertaken by partnering with the renowned Non-Governmental Organisation primarily Rotary Clubs. The initiatives taken during the year were focused on education, technology, sanitation through provision of better quality infrastructure, 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.

**PRINCIPLE 5: Business should respect and promote human rights**

The Company policies support, respect and protect the human rights of its direct as well as indirect employees. Human rights' covers a host of aspects including non-discrimination, gender equality, freedom of association, collective bargaining, avoidance of child and forced labour among others. Your Company is compliant to national regulations pertaining to human rights. There was no instances of any human right violation during the year under review.

**PRINCIPLE 6: Business should respect, protect and make efforts to restore the environment**

In pursuit of its HSE Policy commitments, the Company has established management systems, certified by accredited agencies in line with international standards like ISO 14001 and OHSAS 18001. Within the purview of certified management systems, contingency plans are developed and implemented to prevent, mitigate and control environmental disasters. An integrated sustainability database management system implemented across the Company ensures monitoring and reviewing of sustainability performance through defined key performance indicators. The Company has focused on safety as a value-led concept by inculcating a sense of ownership at all levels and driving behavioral change towards creation of a safety culture. In line with this, the Company's HSE Policy is also displayed at the manufacturing locations.

At Foseco, the employees are trained to operate and maintain the facilities in an environmentally responsible and safe manner which helps to drive year-on-year improvements to our Health, Safety and Environment. To further the commitment towards the environment and also to ensure uninterrupted power to the plant, the Company has installed flameproof LED lights in the plant and office area.





**PRINCIPLE 7: Business when engaged in influencing public and regulatory policy should do so in a different manner**

The Company's engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and the need to balance interests of diverse stakeholders. The Company has adopted a policy on **Dissemination of Information to the Market Policy**. This document briefly summarises the policies and guidelines adopted in relation to the Company's communications with investors, analysts and the Market generally. Any amendment to the Company's policies on these matters requires the approval of the Board of Directors. The following individuals have exclusive responsibility (subject to the directions from the Board) for the Company's communications with the Market: a) Ravi Moti Kirpalani – Chairperson, and 2) Sanjay Mathur - Managing Director. In the normal course, no other individuals within the Company are authorised to communicate with the investors, analysts or the Market without the actual involvement or express permission of at least one of the persons named above. As on 31 December 2019, your Company was a member of the following trade association – Maharashtra Chamber of Commerce and Industry and Agriculture (MCCIA).

**PRINCIPLE 8: Business should support inclusive growth and development**

Your Company subscribes to Corporate Social Responsibility and seeks to be a responsible organization by engaging in strategic community development interventions that are aimed at enhancing skills and developing social infrastructure to uplift communities residing in the vicinity of Company's plants at Pune and Puducherry and improve their quality of life. In the field of education, the Company has developed infrastructures in educational institutions, constructed science laboratories and provided e-learning kits to several schools and colleges, constructed digital classrooms with all the modern state-of-the-art technology. In association with NGO, the Company has done various training programs in schools for teachers where it recognised an acute shortage and underutilisation of technology in teaching. All these helps in skilling and development of the community at large.

**PRINCIPLE 9: Business should engage with and provide value to their customers and consumers in a responsible manner**

As an organisation which upholds and makes significant efforts to ensure good governance, the Company complies with all relevant laws of the land. The Company's uncompromising commitment to providing world-class products and services to customers is supported by its concern for its customers. The Company adopts the best manufacturing practices and robust quality assurance systems for its products. The Company believes in offering more value for our customers, in more ways than one. Our customer centric approach encompasses :

1. Delivering value added products conforming to requirements .
2. Practicing stringent quality standards to ensure safe, effective and easy to use products.
3. Soliciting customers feedback, insights and timely addressing their issues.

The Company connects with its customers through a two way engagement process by which detailed information for all products is given, which also complies with all applicable labeling codes and specifications. The Company deals with the customer in a transparent and ethical manner, eliminating any form of miscommunication or misunderstanding. The Code of Conduct guides the employees while engaging with customers. The Company periodically carry out a customer satisfaction survey.

There is no anti-competitive, abuse of dominant position or unfair trade practices case pending against the Company.

For and on behalf of the Board of Directors  
**Ravi Moti Kirpalani**  
**Chairperson**  
**DIN: 02613688**

Place: Pune

Date: 29 January 2020

**The Board of Directors  
Foseco India Limited  
Sanaswadi,  
Pune – 412 208**

**29 January 2020**

**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 31 December 2019, 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.

**Sanjay Mathur**  
Managing Director

**R Umesh**  
Chief Financial Officer



# Independent Auditors' Report

**To the Members of  
Foseco India Limited**

Report on the audit of the financial statements

This report amends our earlier report dated January 29, 2020

## Opinion

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

## Basis for opinion

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

## Emphasis of Matter

4. We draw your attention to Note 37 to the financial statements which describes the amendment to Note 34 (b) to the financial statements made subsequent to the approval of the financial statements by the Board of Directors in their meeting held on January 29, 2020, consequent to the withdrawal of the recommendation of final dividend by the Board of Directors in their Board Meeting held on May 27, 2020, for the reasons disclosed in the aforesaid Note. Our audit procedures on the subsequent events insofar as it relates to the amendment to note 34(b) are restricted solely to the aforesaid matter, and no effect has been given to any other events, if any, occurring after January 29, 2020 (being the date on which the financial statements were first approved by the Board of Directors of the Company and reported upon by us by our report of that date).

Our opinion is not modified in respect of this matter.

## Key audit matters

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

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

### Other Information

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

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

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

We have nothing to report in this regard.

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

7. 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.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

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

- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

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



- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended December 31, 2019.
16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

**Amit Borkar**  
Partner  
Membership Number: 109846  
UDIN: 20109846AAAADP9602

Place: Pune

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

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## **Annexure A to Independent Auditors' Report**

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

This report amends our earlier report dated January 29, 2020

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

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

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established



and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

#### **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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Amit Borkar**  
Partner  
Membership Number: 109846  
UDIN: 20109846AAAADP9602

Place: Pune

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



## Annexure B to Independent Auditors' Report

Referred to in paragraph 14 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, 2019

This report amends our earlier report dated January 29, 2020

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

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

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

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

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

**Amit Borkar**  
Partner  
Membership Number: 109846  
UDIN: 20109846AAAADP9602

Place: Pune

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



## Foseco India Limited

(All amounts in INR lakhs, unless otherwise stated)

### Balance Sheet as at December 31, 2019

	Notes	December 31, 2019	December 31, 2018
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
Property, plant & equipment	3 (a)	3,432.37	1,970.04
Capital work-in-progress	3 (b)	161.83	595.95
Intangible assets	3 (c)	-	-
Financial assets			
(A) Loans	4	81.35	65.43
Deferred tax assets (net)	5 (a)	185.60	305.13
Income tax assets (net)	5 (b)	295.50	300.03
Other non-current assets	6	94.48	182.67
<b>Total non-current assets</b>		<b>4,251.13</b>	<b>3,419.25</b>
<b>II. Current assets</b>			
Inventories	7	1,939.95	2,097.82
Financial assets			
(A) Trade receivables	8	7,284.64	8,700.95
(B) Cash and cash equivalents	9 (a)	11,107.60	9,239.08
(C) Bank balances other than (b) above	9 (b)	77.79	76.82
(D) Loans	4	15.52	13.40
(E) Other financial assets	10	55.92	26.55
Income tax assets (net)	5 (b)	24.54	167.04
Other current assets	11	108.82	104.97
<b>Total current assets</b>		<b>20,614.78</b>	<b>20,426.63</b>
<b>Total Assets</b>		<b>24,865.91</b>	<b>23,845.88</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	12 (a)	638.65	638.65
Other equity	12 (b)	16,500.18	14,972.15
<b>Total equity</b>		<b>17,138.83</b>	<b>15,610.80</b>
<b>LIABILITIES</b>			
<b>I. Non-Current liabilities</b>			
Financial liabilities			
(A) other financial liabilities	13	28.96	186.76
Provisions	14	51.84	47.21
<b>Total non-current liabilities</b>		<b>80.80</b>	<b>233.97</b>
<b>II. Current liabilities</b>			
Financial liabilities			
(A) Trade payables	15		
- Total outstanding dues of micro, small and medium enterprises		1.08	47.65
- Total outstanding dues of creditors other than micro, small and medium enterprises		6,418.22	6,486.88
(B) Other financial liabilities	13	711.38	1,034.48
Other current liabilities	16	214.63	202.03
Current tax liabilities	5(b)	89.13	-
Provisions	14	211.84	230.07
<b>Total current liabilities</b>		<b>7,646.28</b>	<b>8,001.11</b>
<b>Total Liabilities</b>		<b>7,727.08</b>	<b>8,235.08</b>
<b>Total Equity and Liabilities</b>		<b>24,865.91</b>	<b>23,845.88</b>

The accompanying notes are an integral part of these financial statements.  
As per our report of even date attached

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

**Amit Borkar**  
Partner  
Membership No.: 109846  
UDIN : 20109846AAAAAN9109

**For and on behalf of the Board of Directors of  
Foseco India Limited**  
Corporate Identification No. (CIN) : L24294PN1958PLC011052

**Ravi Kirpalani**  
Chairman  
DIN : 02613688

**Sanjay Mathur**  
Managing Director  
DIN : 00029858

**Ajit Shah**  
Director  
DIN : 02396765

**Guy Young**  
Director  
DIN : 0008334721

**Anita Belani**  
Director  
DIN : 01532511

**R Umesh**  
Chief Financial Officer

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

Place : Pune  
Date : January 29, 2020

Place : Sanaswadi, Pune  
Date : January 29, 2020

## Foseco India Limited

(All amounts in INR lakhs, unless otherwise stated)

### Statement of Profit and Loss for the year ended December 31, 2019

	Notes	Year ended December 31, 2019	Year ended December 31, 2018
<b>Income</b>			
Revenue from operations	17	32,252.39	36,215.58
Other Income	18	781.26	442.70
<b>Total Income</b>		<b>33,033.65</b>	<b>36,658.28</b>
<b>Expenses</b>			
Cost of materials consumed	19	17,975.93	20,883.51
Purchases of stock-in-trade	20	523.36	608.79
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(489.40)	20.62
Employee benefit expense	22	3,413.44	3,448.18
Finance costs	23	0.13	20.87
Depreciation and amortization expense	24	419.70	453.90
Other expenses	25	6,227.71	6,215.15
<b>Total Expenses</b>		<b>28,070.87</b>	<b>31,651.02</b>
<b>Profit before tax</b>		<b>4,962.78</b>	<b>5,007.26</b>
<b>Tax expense</b>			
	5(b)		
- Current tax		1,362.03	1,841.96
- Deferred tax		147.46	(38.35)
<b>Total tax expense</b>		<b>1,509.49</b>	<b>1,803.61</b>
<b>Profit for the year</b>		<b>3,453.29</b>	<b>3,203.65</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined employee benefit plan - gain/(loss)		(110.96)	(124.51)
Income tax relating to these items	5(b)	27.93	43.51
<b>Other comprehensive income for the year, net of tax</b>		<b>(83.03)</b>	<b>(81.00)</b>
<b>Total comprehensive income for the year</b>		<b>3,370.26</b>	<b>3,122.65</b>
<b>Earnings per equity share</b>			
Basic and Diluted earnings per share (face value Rs. 10 each)	26	54.07	50.16

The accompanying notes are an integral part of these financial statements.  
As per our report of even date attached

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

**Amit Borkar**  
Partner  
Membership No.: 109846  
UDIN : 20109846AAAAAN9109

**For and on behalf of the Board of Directors of  
Foseco India Limited**  
Corporate Identification No. (CIN) : L24294PN1958PLC011052

**Ravi Kirpalani**  
Chairman  
DIN : 02613688

**Sanjay Mathur**  
Managing Director  
DIN : 00029858

**Ajit Shah**  
Director  
DIN : 02396765

**Guy Young**  
Director  
DIN : 0008334721

**Anita Belani**  
Director  
DIN : 01532511

**R Umesh**  
Chief Financial Officer

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

Place : Pune  
Date : January 29, 2020

Place : Sanaswadi, Pune  
Date : January 29, 2020

## Foseco India Limited

(All amounts in INR lakhs, unless otherwise stated)

### Statement of changes in equity for the year ended December 31, 2019

#### A) Equity Share Capital

	Notes	
<b>As at January 1, 2018</b>		<b>638.65</b>
Change in equity share capital	12 (a)	-
<b>As at December 31, 2018</b>		<b>638.65</b>
Change in equity share capital	12 (a)	-
<b>As at December 31, 2019</b>		<b>638.65</b>

#### B) Other Equity

	Note	Reserves & Surplus				Total
		Securities Premium	General Reserve	Retained Earnings	Share Based Payment Reserve	
<b>As at January 1, 2018</b>		<b>1,912.60</b>	<b>3,672.77</b>	<b>8,341.41</b>	-	<b>13,926.78</b>
Profit for the year		-	-	3,203.65	-	<b>3,203.65</b>
Other comprehensive income for the year		-	-	(81.00)	-	<b>(81.00)</b>
<b>Transactions with owners in their capacity as owners:</b>						-
Dividends paid	12 (b)	-	-	(1,724.35)	-	<b>(1,724.35)</b>
Dividend distribution tax thereon	12 (b)	-	-	(352.93)	-	<b>(352.93)</b>
<b>As at December 31, 2018</b>		<b>1,912.60</b>	<b>3,672.77</b>	<b>9,386.78</b>	-	<b>14,972.15</b>

#### Other Equity (continued)

	Note	Reserves & Surplus				Total
		Securities Premium	General Reserve	Retained Earnings	Share Based Payment Reserve	
<b>As at January 1, 2019</b>		<b>1,912.60</b>	<b>3,672.77</b>	<b>9,386.78</b>	-	<b>14,972.15</b>
Profit for the year		-	-	3,453.29	-	<b>3,453.29</b>
Other comprehensive income for the year		-	-	(83.03)	-	<b>(83.03)</b>
<b>Transactions with owners in their capacity as owners:</b>						-
Dividends paid	12 (b)	-	-	(1,596.62)	-	<b>(1,596.62)</b>
Dividend distribution tax thereon	12 (b)	-	-	(328.23)	-	<b>(328.23)</b>
<b>Recognition of Share based payment*</b>		-	-	-	82.62	<b>82.62</b>
Employee share based payment - transfer to retained earnings		-	-	46.91	(46.91)	-
<b>As at December 31, 2019</b>		<b>1,912.60</b>	<b>3,672.77</b>	<b>10,879.10</b>	<b>35.71</b>	<b>16,500.18</b>

\* Includes employees share based payment expense for the year ended December 31, 2019 amounting to Rs. 35.71 lakhs. The above statement of changes in equity should be read in conjunction with the accompanying notes.

## Foseco India Limited

(All amounts in INR lakhs, unless otherwise stated)

### Statement of cash flows for the year ended December 31, 2019

	Year Ended December 31, 2019	Year Ended December 31, 2018
<b>A) Cash flow from Operating activities</b>		
<b>Profit Before Tax</b>	<b>4,962.78</b>	<b>5,007.26</b>
Adjustments for :		
Depreciation and Amortisation expense	419.70	453.90
Provision of Doubtful Debts	276.63	179.42
(Profit) on sale / disposal of property, plant and equipment	(8.92)	(2.13)
Finance Cost	0.13	20.87
Interest Income	(464.66)	(337.57)
Provision for doubtful debts written back	(201.77)	(49.38)
Unrealised exchange (gain) / loss (net)	(2.49)	4.44
Employee share based payment expense	35.71	-
<b>Operating profit before working capital changes</b>	<b>5,017.11</b>	<b>5,276.81</b>
<b>Working Capital Adjustments for :</b>		
(Increase) / Decrease in Trade Receivables	1,340.31	1,214.05
(Increase) / Decrease in Inventories	157.87	(426.67)
(Increase) / Decrease in Other financial assets	(26.38)	(5.71)
(Increase) / Decrease in Other assets	(3.85)	(25.85)
Increase / (Decrease) in Trade Payables	(111.61)	679.02
Increase / (Decrease) in Other financial liabilities	(433.99)	194.29
Increase / (Decrease) in Other liabilities	12.60	(185.51)
Increase / (Decrease) in Provisions	(124.56)	(32.65)
<b>Cash generated from operations *</b>	<b>5,827.50</b>	<b>6,687.78</b>
Income taxes paid (net of refunds)	(1,125.87)	(1,977.69)
<b>Net cash generated from operating activities (a)</b>	<b>4,701.63</b>	<b>4,710.09</b>
<b>B) B. Cash flow from Investing activities</b>		
Purchase of property, plant and equipment	(1,365.45)	(806.12)
Proceeds from disposal of property, plant and equipment	14.66	3.35
Deposits matured during the year (with maturity more than three months)	0.40	0.52
Deposits placed during the year (with maturity more than three months)	-	(0.40)
Loans to employees granted	(18.04)	(18.84)
Interest earned	460.30	337.57
<b>Net cash used in investing activities (b)</b>	<b>(908.13)</b>	<b>(483.92)</b>



## Foseco India Limited

(All amounts in INR lakhs, unless otherwise stated)

### Statement of cash flows for the year ended December 31, 2019 (continued)

	Year Ended December 31, 2019	Year Ended December 31, 2018
<b>C) Cash flow from Financing activities</b>		
Repayment of sales tax deferral loan	-	(64.53)
Interest Paid	(0.13)	(20.87)
Dividends Paid	(1,596.62)	(1,724.35)
Tax on dividends	(328.23)	(352.93)
<b>Net cash used in financing activities (c)</b>	<b>(1,924.98)</b>	<b>(2,162.68)</b>
<b>Net Increase in cash and cash equivalents - (a+b+c)</b>	<b>1,868.52</b>	<b>2,063.49</b>
Cash and cash equivalents at the beginning of the year	9,239.08	7,175.59
<b>Cash and cash equivalents at the end of the year</b>	<b>11,107.60</b>	<b>9,239.08</b>

\* Cash flow from operating activities includes Rs. 106.28 lakhs (December 2018 Rs. 35.90 lakhs) being cash outflow towards Corporate Social Responsibility expense] [Refer note 25(b)]

PARTICULARS	Year Ended December 31, 2019	Year Ended December 31, 2018
<b>Cash and Cash Equivalents comprise of :</b>		
Cash on hand	1.30	1.51
Balances with banks		
- in current accounts	1,274.92	2,004.68
- in EEFC accounts	216.38	87.89
Deposit with maturity of less than three months	9,615.00	7,145.00
<b>Total</b>	<b>11,107.60</b>	<b>9,239.08</b>

#### Notes:

- 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.
- Figures in bracket represent outflow of cash and cash equivalents.

The accompanying notes are an integral part of these financial statements.  
As per our report of even date attached

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

**Amit Borkar**  
Partner  
Membership No.: 109846  
UDIN : 20109846AAAAAN9109

**For and on behalf of the Board of Directors of  
Foseco India Limited**  
Corporate Identification No. (CIN) : L24294PN1958PLC011052

**Ravi Kirpalani**  
Chairman  
DIN : 02613688

**Sanjay Mathur**  
Managing Director  
DIN : 00029858

**Ajit Shah**  
Director  
DIN : 02396765

**Guy Young**  
Director  
DIN : 0008334721

**Anita Belani**  
Director  
DIN : 01532511

**R Umesh**  
Chief Financial Officer

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

Place : Pune  
Date : January 29, 2020

Place : Sanaswadi, Pune  
Date : January 29, 2020

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

**Background:** Foseco India Limited (“the Company”) is a public limited Company domiciled in India incorporated in March 1958. The Company is engaged in the manufacture 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 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) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions 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.

##### (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.





## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

(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 profit or 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

(i) Revenue from contracts with customers

Ind AS 115, Revenue from contracts with customers has been issued with effect from annual period beginning on or after April 1, 2018. The new standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's 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. A new five-step process must be applied before revenue can be recognized:

- Identify contracts with customers
- Identify the separate performance obligation
- Determine the transaction price of the contract
- Allocate the transaction price to each of the separate performance obligations, and
- Recognize the revenue as each performance obligation is satisfied.

**Transition**

Using the modified retrospective approach, there was no adjustments required to the retained earnings as at January 1, 2019 due to adoption of Ind AS 115. Adoption of the Ind AS 115 did not have any material impact on the recognition and measurement of revenue and related items in the financial statements of the Company.

**Revenue recognition policy**

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.

The timing of when the Company transfers the goods may differ from the timing of the customer's payment. Amounts disclosed as revenue are net of returns, trade allowances, rebates, taxes and amounts collected on behalf of third parties such as Goods and Services Tax (GST)

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

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) **Export Incentive**

Export incentive are recognised at their fair value where there is a reasonable assurance that the incentive will be received and the Company will comply with all attached conditions.

(e) **Government Grant**

Grants from the government are recognized at their fair value when there is a reasonable assurance that the grant will be received, and the Company will comply with all the attached conditions.

Government grant relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented with other income.

(f) **Income tax**

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.

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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). 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 realized or the deferred income tax liability is settled.

Deferred tax assets are recognized 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.

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 realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

**(g) Leases**

*As a lessee*

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**(h) Impairment of 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 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.

**(i) 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. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**(j) Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date, they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component or pricing adjustments embedded in the contract.

Loss allowance for expected life time credit loss is recognised on initial recognition of the trade receivables.

**(k) 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.

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### (l) 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. 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.

#### (m) 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. Financial Assets

##### (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

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

- **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 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 as other income when the company's right to receive payment is established.

(vi) Impairment of financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, and bank balance.

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

- Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

- (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.

## II. Financial Liabilities

- (i) Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

- (ii) Subsequent measurement:

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

recognized in statement of profit and loss. Any gain or loss on derecognition is also recognized in statement of profit and loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(n) **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 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.

(o) **Property, plant and equipment**

Amounts for property, plant and equipment are stated at 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 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	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 assets 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)'.

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

**(p) 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:

Asset	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.

**(q) 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.

**(r) 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.

**(s) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method. Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

**(t) 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.

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.





## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### (u) Employee Benefits

##### (i) Short-term employee benefits

Liabilities for wages and salaries, accumulated leave and 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 recognized 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.

##### (ii) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are actuarially valued at the end of year measured at 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 on government bonds 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 statement of 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 plan - 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

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

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' Provident Fund / Pension Fund and Superannuation Fund. The contributions towards Provident Fund / Pension 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.

#### (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.

#### (v) **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.

#### (w) **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.

#### (x) **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.

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

**(y) Earnings per share**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

**(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(z) Rounding of amounts:**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**(aa) Standard issued but not yet effective:**

**(i) Ind AS 116 - Leases:**

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 on March 30, 2019. The Rules shall be effective from reporting period beginning on or after April 1, 2019 and cannot be early adopted. The new standard on leases sets out the principles for the recognition, measurement, presentation and disclosure of leases. The core objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information is likely to provide a basis to users of financial statements to assess the effect that leases will have on the financial position, financial performance and cash flows of the Company. The new standard increases the focus on which party controls the use of an identified asset. Under Ind AS 17, an arrangement may be a lease when the customer obtains substantially all of the output or other utility of the asset even if the customer does not control the use of the asset. Under the new standard, a lease can exist if, and only if, the customer has the right to both control the use of an identified asset and obtain substantially all of the economic benefits from the use of that asset. This is in contrast to a further aspect of Ind AS 17 under which an arrangement is a lease when the customer has the right to control the use of an identified asset and obtains more than an insignificant amount of the output or other utility of the asset.

The new standard provides two optional approaches to transition. They are as follows:

- a) Full retrospective approach: Under this approach, the lessee applies the new standard retrospectively in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. For this purpose, the lessee:

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

- Applies the new standard to all leases in which it is a lessee
  - Applies the standard retrospectively to each prior period presented
  - Recognizes an adjustment in equity at the beginning of the earliest period presented and
  - Makes the disclosures required by Ind AS 8 on a change in accounting policy.
- b) Modified retrospective approach: Under this approach, a lessee applies the new standard from the beginning of the current period. For this purpose, the lessee:
- Calculates lease assets and lease liabilities as at the beginning of the current period
  - Does not restate its prior period financial information
  - Recognizes an adjustment in equity at the beginning of the current period and - Makes additional disclosures specified in the standard.

The Company is in the process of evaluating the impact on the financial statements under the new standard.

The Company will adopt the standard on January 1, 2020.

#### (ii) Ind AS 12 Income taxes - Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or company of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition –

- a) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- b) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on January 1, 2020.

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### 2. Critical judgements 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.

#### 3(a) Property, plant and equipment

Tangible assets	Gross Block				Depreciation				Net block
	Opening balance as at January 1, 2019	Additions	Deductions	Closing balance as at December 31, 2019	Opening balance as at January 1, 2019	Charge for the year	Deductions during the year	Closing balance as at December 31, 2019	Closing balance as at December 31, 2019
Freehold land	151.92	-	-	151.92	-	-	-	-	151.92
Leasehold land	2.76	-	-	2.76	0.08	0.04	-	0.12	2.64
Factory buildings	618.72	91.69	-	710.41	76.25	37.63	-	113.88	596.53
Buildings others	281.40	-	-	281.40	39.01	19.60	-	58.61	222.79
Plant and machinery	1,658.72	1,763.71	193.43	3,229.00	741.87	319.45	190.47	870.85	2,358.15
Laboratory equipment	76.32	11.55	18.34	69.53	18.99	12.23	18.34	12.88	56.65
Office equipment	35.55	20.82	0.59	55.78	25.78	11.90	0.59	37.09	18.69
Furniture and fixtures	27.76	-	3.77	23.99	11.10	2.80	3.77	10.13	13.86
Motor vehicles	70.91	-	56.54	14.37	40.94	16.05	53.76	3.23	11.14
<b>Total</b>	<b>2,924.06</b>	<b>1,887.77</b>	<b>272.67</b>	<b>4,539.16</b>	<b>954.02</b>	<b>419.70</b>	<b>266.93</b>	<b>1,106.79</b>	<b>3,432.37</b>

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### 3(b) Capital work in progress as at December 31, 2019

Capital work in progress (refer note 2 below)	161.83
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#### Notes:

- 1 Refer to note 31 (c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- 2 Capital work-in-progress comprises of mainly Plant and Machinery.
- 3 Leasehold land of the Company is located at Puducherry having lease term of 99 years.

#### 3(c) Intangible Assets as at December 31, 2019

Intangible Assets	Gross Block			Amortisation				Net Block	
	Opening balance as at January 1, 2019	Additions	Deductions	Closing balance as at December 31, 2019	Opening balance as at January 1, 2019	Charge for the year	Deductions during the year	Closing balance as at December 31, 2019	Closing balance as at December 31, 2019
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>

#### 3(a) Property, plant and equipment

Tangible assets	Gross Block			Depreciation				Net block	
	Opening balance as at January 1, 2018	Additions	Deductions	Closing balance as at December 31, 2018	Opening balance as at January 1, 2018	Charge for the year	Deductions during the year	Closing balance as at December 31, 2018	Closing balance as at December 31, 2018
Freehold land	151.92	-	-	151.92	-	-	-	-	151.92
Leasehold land	2.76	-	-	2.76	0.04	0.04	-	0.08	2.68
Factory buildings	618.75	-	0.03	618.72	38.60	37.65	-	76.25	542.47
Buildings others	278.15	3.25	-	281.40	19.47	19.54	-	39.01	242.39
Plant and machinery	1,568.94	91.59	1.81	1,658.72	392.53	349.95	0.61	741.87	916.85
Laboratory equipment	29.88	46.44	-	76.32	7.44	11.55	-	18.99	57.33
Office equipment	34.25	1.30	-	35.55	14.55	11.23	-	25.78	9.77
Furniture and fixtures	22.65	5.11	-	27.76	6.14	4.96	-	11.10	16.66
Motor vehicles	72.75	-	1.84	70.91	23.87	18.91	1.84	40.94	29.97
<b>Total</b>	<b>2,780.05</b>	<b>147.69</b>	<b>3.68</b>	<b>2,924.06</b>	<b>502.64</b>	<b>453.83</b>	<b>2.45</b>	<b>954.02</b>	<b>1,970.04</b>

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### 3(b) Capital Work in Progress as at December 31, 2018

Capital work in progress (refer note 2 below)	595.95
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#### Notes:

- 1 Refer to note 31 (c) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- 2 Capital work-in-progress comprises of mainly Plant and Machinery.
- 3 Leasehold land of the Company is located at Puducherry having lease term of 99 years.

#### 3(c) Intangible Assets as at December 31, 2018

Intangible Assets	Gross Block				Amortisation				Net Block
	Opening balance as at January 1, 2018	Additions	Deductions	Closing balance as at December 31, 2018	Opening balance as at January 1, 2018	Charge for the year	Deductions during the year	Closing balance as at December 31, 2018	Closing balance as at December 31, 2018
Computer software	30.74	-	-	30.74	30.67	0.07	-	30.74	-
<b>Total</b>	<b>30.74</b>	<b>-</b>	<b>-</b>	<b>30.74</b>	<b>30.67</b>	<b>0.07</b>	<b>-</b>	<b>30.74</b>	<b>-</b>

#### 4 Loans

Particulars	As at December 31, 2019	As at December 31, 2018
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Security deposits	61.11	40.96
Loans to employees	20.24	24.47
<b>Total</b>	<b>81.35</b>	<b>65.43</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Loans to employees	15.52	13.40
<b>Total</b>	<b>15.52</b>	<b>13.40</b>
<b>Breakup of security details</b>		
Loans considered good - secured	-	-
Loans considered good - unsecured	96.87	78.83
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
<b>Total</b>	<b>96.87</b>	<b>78.83</b>



## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### 5(a) Deferred tax assets (net)

The balance of deferred tax comprises temporary differences attributable to:

	As at December 31, 2019	As at December 31, 2018
Property, plant and equipment and intangible assets	-	39.24
Provision for gratuity	-	58.60
Provision for compensated absences	27.63	38.28
Provision for doubtful debts	86.95	152.34
Others - Expenditure debited to Statement of profit and loss in the current period but allowed for tax purpose in subsequent assessment years	74.06	16.67
<b>Total</b>	<b>188.64</b>	<b>305.13</b>
<b>Deferred tax liability</b>		
Property, plant and equipment and intangible assets	3.04	-
	<b>3.04</b>	-
<b>Total Deferred tax asset (net)</b>	<b>185.60</b>	<b>305.13</b>

#### Movement in deferred tax assets/liabilities

Particulars	As at January 1, 2018	(Charged)/ credited to profit/loss or OCI	As at December 31, 2018	(Charged)/ credited to profit/loss or OCI	As at December 31, 2019
Deferred Tax Assets					
Property, plant and equipment and intangible assets	4.07	35.17	39.24	(39.24)	-
Provision for gratuity	23.71	34.89	58.60	(58.60)	-
Provision for compensate absences	40.46	(2.18)	38.28	(10.65)	27.63
Provision for doubtful debts	134.33	18.01	152.34	(65.39)	86.95
Other timing differences	20.7	(4.03)	16.67	57.39	74.06
<b>Deferred tax liability</b>					
Property, plant and equipment and intangible assets	-	-	-	(3.04)	(3.04)
<b>Total</b>	<b>223.27</b>	<b>81.86</b>	<b>305.13</b>	<b>(119.53)</b>	<b>185.6</b>

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### 5(b) Income taxes

##### Income tax assets (net)

		As at December 31, 2019	As at December 31, 2018
Opening balance		467.07	331.34
Less : Current tax payable for the year		(1,362.03)	(1,841.96)
Add / (Less) : Taxes paid		1,125.87	1,977.69
<b>Closing balance</b>	<b>Total</b>	<b>230.91</b>	<b>467.07</b>
<b>Income tax assets</b>		24.54	167.04
<b>Current</b>		295.50	300.03
<b>Non current</b>	<b>Total</b>	<b>320.04</b>	<b>467.07</b>
<b>Income tax assets</b>		89.13	-
<b>Current</b>		-	-
<b>Non current</b>	<b>Total</b>	<b>89.13</b>	<b>-</b>

##### The major components of income tax expense for the year ended;

Statement of profit and loss		Year ended December 31, 2019	Year ended December 31, 2018
<b>Profit and loss section</b>			
<b>Current income tax charge</b>			
Current income tax			
- Current tax on profit for the year		1,348.39	1,755.00
- Adjustment for current tax for prior period		13.64	86.96
<b>Total current tax expense</b>		<b>1,362.03</b>	<b>1,841.96</b>
<b>Deferred tax</b>			
Decrease/(increase) in deferred tax assets		147.46	(38.35)
<b>Total deferred tax expense/ (credit) to the Statement of profit or loss</b>		<b>147.46</b>	<b>(38.35)</b>
<b>Tax expense reported in the Statement of profit or loss</b>	<b>Total</b>	<b>1,509.49</b>	<b>1,803.61</b>
<b>Other comprehensive income section (OCI)</b>			
Deferred tax related to items recognised in OCI during the year		27.93	43.51
<b>Deferred tax expense in OCI</b>	<b>Total</b>	<b>27.93</b>	<b>43.51</b>

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for;

	As at December 31, 2019	As at December 31, 2018
Profit before tax	4,962.78	5,007.26
At statutory income tax rate of 25.17%* (31-December-2018: 34.944%)	1,249.13	1,749.74
Reduction in statutory income tax rate - reversal of opening deferred tax assets	84.83	-
Impact of higher tax rate for the quarter ended March 31, 2019 (34.944%)	130.39	-
Tax relating to prior period	13.64	86.96
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income	22.82	(9.43)
Others	8.68	(23.66)
<b>At the effective tax rate</b>	<b>1,509.49</b>	<b>1,803.61</b>
<b>Tax expense reported in the Statement of profit or loss</b>	<b>1,509.49</b>	<b>1,803.61</b>

\* Pursuant to the announcement made by the Finance Ministry of the Government of India on September 20, 2019, the Company, basis their assessment opted for a lower corporate tax rate as per section 114BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from financial year 2019-20 onwards. Accordingly, the Company recognised Provision for Income Tax and remeasured the Deferred Tax Assets basis the revised lower tax rate and impact of the same was recognised in the year ended December 31, 2019.

#### Note:

The Company's management is of the opinion that its international transactions with associated enterprises are at 'arm's length' and that the Company is in compliance with the transfer pricing legislation. Further, 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 for the year ended December 31, 2019 and December 31, 2018.

#### 6 Other non current assets Unsecured, considered good

	Year ended December 31, 2019	Year ended December 31, 2018
Capital advances	94.48	182.67
<b>Total</b>	<b>94.48</b>	<b>182.67</b>

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### 7 Inventories (valued at lower of cost and Net realisable value)

	As at December 31, 2019	As at December 31, 2018
<b>Raw materials</b>		
- In hand	734.46	1,116.63
- In transit	178.49	443.59
<b>Work-in-progress</b>	99.81	80.80
<b>Finished goods</b>		
- In hand	904.34	431.59
- In transit	7.49	16.89
<b>Stock-in-trade</b>	15.36	8.32
<b>Total</b>	<b>1,939.95</b>	<b>2,097.82</b>

#### Amounts recognized in the statement of profit and loss

	Year ended December 31, 2019	Year ended December 31, 2018
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.	89.96	28.64

#### 8 Trade receivables

	As at December 31, 2019	As at December 31, 2018
Trade receivable - others	7,468.01	8,750.05
Trade receivable from related parties (Refer note 29 (c))	162.09	386.87
Less : Allowance for doubtful debts	(345.46)	(435.97)
<b>Total</b>	<b>7,284.64</b>	<b>8,700.95</b>
<b>Breakup of trade receivables</b>		
Trade receivables considered good - unsecured	7,284.64	8,700.95
Trade receivables - doubtful	345.46	435.97
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: Allowance for doubtful debts	(345.46)	(435.97)
<b>Total</b>	<b>7,284.64</b>	<b>8,700.95</b>

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### 9(a) Cash and cash equivalents

	As at December 31, 2019	As at December 31, 2018
<b>Balances with banks</b>		
In current accounts	1,274.92	2,004.68
In Exchange Earners Foreign Currency (EEFC) accounts	216.38	87.89
Cash on hand	1.30	1.51
Deposit with maturity of less than three months	9,615.00	7,145.00
<b>Total</b>	<b>11,107.60</b>	<b>9,239.08</b>

#### 9(b) Bank balances other than cash and cash equivalents

	As at December 31, 2019	As at December 31, 2018
In deposits with original maturity of more than three months but less than twelve months (Refer note below)	-	0.40
<b>In earmarked accounts</b>		
Unclaimed dividend accounts	77.79	76.42
<b>Total</b>	<b>77.79</b>	<b>76.82</b>

**Note:** Held as lien by banks against bank guarantees.

#### 10 Other financial assets

	As at December 31, 2019	As at December 31, 2018
<b>Current</b>		
Receivable from related parties (Refer note 29 (c))	51.56	14.67
Interest accrued on fixed deposits	4.36	11.88
<b>Total</b>	<b>55.92</b>	<b>26.55</b>

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### 11 Other current assets

	As at December 31, 2019	As at December 31, 2018
<b>Others</b>		
Unsecured, considered good		
Advance for supply of goods and services	29.02	50.67
Prepayments	53.76	53.08
Advance to employees	-	1.22
Export Incentive receivable	26.04	-
<b>Total</b>	<b>108.82</b>	<b>104.97</b>

#### 12(a) Equity share capital

Particulars	As at December 31, 2019	As at December 31, 2018
<b>Authorised equity share capital:</b>		
7,500,000 (Previous year 7,500,000) Equity shares of Rs. 10 each	750.00	750.00
<b>Issued, subscribed and fully paid up :</b>		
6,386,459 (Previous year 6,386,459) Equity shares of Rs. 10 each fully paid up	638.65	638.65

##### (i) Reconciliation of number of equity shares

Particulars	As at December 31, 2019	As at December 31, 2018
Shares outstanding at the beginning and end of the year	63,86,459	63,86,459

##### (ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs. 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.

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

**(iii) Number of shares of the Company held by Holding Company/ Ultimate holding Company and/ or their subsidiaries/ associates**

Particulars	As at December 31, 2019	As at December 31, 2018
<b>Immediate Holding Company</b>		
Foseco Overseas Limited, United Kingdom	37,04,219	37,04,219
<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, 2019		As at December 31, 2018	
	% holding	No. of shares	% holding	No. of shares
Foseco Overseas Limited, United Kingdom- Immediate Holding Company	58.00%	37,04,219	58.00%	37,04,219
Vesuvius Holdings Limited, United Kingdom - Subsidiary of Ultimate Holding Company	8.52%	5,44,066	8.52%	5,44,066
Foseco (UK) Limited, United Kingdom- Parent of Immediate Holding Company	8.46%	5,40,560	8.46%	5,40,560
Karibu Limited, United Kingdom	11.48%	7,33,226	11.48%	7,33,226

- a) The Company has not issued any bonus shares in 5 years immediately preceding the year ended December 31, 2019.
- 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, 2019.

**12 (b) Other equity**

	As at December 31, 2019	As at December 31, 2018
<b>Reserves and surplus</b>		
Securities premium account (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)	10,879.10	9,386.78
Share based payment reserve (Refer note 28)	35.71	-
<b>Total</b>	<b>16,500.18</b>	<b>14,972.15</b>



## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

(i) **Securities premium**

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.

(ii) **General reserve**

General reserve represents amounts transferred from retained earnings in earlier years as per the requirements of the erstwhile Companies Act 1956.

(iii) **Retained earnings**

	As at December 31, 2019	As at December 31, 2018
<b>Retained earnings</b>		
Opening balance	9,386.78	8,341.41
Add : Profit for the year	3,453.29	3,203.65
<b>Profit available for appropriation</b>	<b>12,840.07</b>	<b>11,545.06</b>
Less appropriations:		
Interim dividend	957.97	957.97
Tax on interim dividend	196.96	196.91
Final dividend	638.65	766.38
Tax on final dividend	131.27	156.02
	<b>1,924.85</b>	<b>2,077.28</b>
Items of other comprehensive income recognised directly in retained earnings		
Re-measurement gain/(loss) of defined employee benefit plan (net of tax)	(83.03)	(81.00)
Employee share based payment	46.91	-
<b>Closing balance</b>	<b>10,879.10</b>	<b>9,386.78</b>

13 **Other financial liabilities**

Non-Current	As at December 31, 2019	As at December 31, 2018
Accrued employee benefit obligations	12.21	170.01
Deposit for leasehold land (Refer note below)	16.75	16.75
<b>Total</b>	<b>28.96</b>	<b>186.76</b>

**Note:**

This amount has been received with respect to the agreement for leasehold land at Chinchwad.

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

<b>Current</b>	<b>As at December 31, 2019</b>	<b>As at December 31, 2018</b>
Payable to Non-executive Directors	20.09	17.82
Unclaimed dividends (Refer note below)	77.79	76.42
Accrued employee benefit obligations	225.31	440.29
Deposits from customers	14.25	14.25
Payable to related parties (Refer note 29 (c))	373.94	485.70
<b>Total</b>	<b>711.38</b>	<b>1,034.48</b>

**Note:**

There is no amount due and outstanding as on December 31, 2019 to be credited to Investor Education and Protection Fund u/s 125 of the Companies Act, 2013.

#### 14 Provisions

<b>Non-Current</b>	<b>As at December 31, 2019</b>	<b>As at December 31, 2018</b>
Provision for compensated absences (Refer note 27)	51.84	47.21
<b>Total</b>	<b>51.84</b>	<b>47.21</b>

<b>Current</b>	<b>As at December 31, 2019</b>	<b>As at December 31, 2018</b>
Provision for compensated absences (Refer note 27)	57.94	62.36
Provision for gratuity (Refer note 27)	153.90	167.71
<b>Total</b>	<b>211.84</b>	<b>230.07</b>

#### 15 Trade Payables

	<b>As at December 31, 2019</b>	<b>As at December 31, 2018</b>
Total outstanding dues of micro, small and medium enterprises	1.08	47.65
Total outstanding dues of creditors other than micro, small and medium enterprises		
- payables to others	6,153.23	6,216.07
- payables to related parties (Refer note 29 (c))	264.99	270.81
<b>Total</b>	<b>6,419.30</b>	<b>6,534.53</b>

Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

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.

Sr. No.	Dues payable to micro, small and medium enterprises as at	December 31, 2019	December 31, 2018
a)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.08	47.65
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	0.14	0.02
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

Current	As at December 31, 2019	As at December 31, 2018
- Statutory dues payable	214.63	202.03
<b>Total</b>	<b>214.63</b>	<b>202.03</b>

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### 17 Revenue from operations

	Year ended December 31, 2019	Year ended December 31, 2018
Revenue from contracts with customers		
- Sale of Products (manufactured and traded goods)	32,138.50	36,107.21
- Sale of services	5.69	23.05
Other operating revenue		
- Sale of scrap	18.73	18.41
- Sale of deteriorated raw material and packing material	21.22	66.91
- Export Incentive	68.25	-
<b>Total</b>	<b>32,252.39</b>	<b>36,215.58</b>

#### 17(a) Revenue from contracts with customers disaggregated on the basis of geographical regions

	Year ended December 31, 2019	Year ended December 31, 2018
Domestic	29,688.11	33,954.38
Export	2,456.08	2,175.88
<b>Total</b>	<b>32,144.19</b>	<b>36,130.26</b>

#### 17(b) Reconciliation of revenue with contract price

	Year ended December 31, 2019	Year ended December 31, 2018
Revenue as per Statement of Profit & Loss	32,144.19	36,130.26
Add: Incentive/rebates/discounts etc.	-	-
<b>Contract price</b>	<b>32,144.19</b>	<b>36,130.26</b>

#### 18 Other income

	Year ended December 31, 2019	Year ended December 31, 2018
<b>Interest income</b>		
- on bank deposits	389.12	336.89
- from income tax authorities	75.54	0.68
Provisions for doubtful debts written back	201.77	49.38
Profit on disposal of property, plant and equipment	8.92	2.13
Other miscellaneous income	105.91	53.62
<b>Total</b>	<b>781.26</b>	<b>442.70</b>

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### 19 Cost of materials consumed

	Year ended December 31, 2019	Year ended December 31, 2018
Raw materials consumed		
Opening stock	1,560.22	1,112.93
Add: Purchases (net)	17,328.66	21,330.80
	18,888.88	22,443.73
Less : Closing stock	912.95	1,560.22
<b>Total</b>	<b>17,975.93</b>	<b>20,883.51</b>

#### 20 Purchase of stock-in-trade

	As at December 31, 2019	As at December 31, 2018
Purchases of stock in trade	523.36	608.79
<b>Total</b>	<b>523.36</b>	<b>608.79</b>

#### 21 Changes in inventories of finished foods, work-in- progress and stock-in-trade

	As at December 31, 2019	As at December 31, 2018
<b>Opening inventory</b>		
- Finished goods	448.48	482.47
- Work in progress	80.80	71.05
- Stock in trade	8.32	4.70
	<b>537.60</b>	<b>558.22</b>
<b>Less: closing inventory</b>		
- Finished goods	911.83	448.48
- Work in progress	99.81	80.80
- Stock - in - trade	15.36	8.32
	<b>1,027.00</b>	<b>537.60</b>
<b>Total</b>	<b>(489.40)</b>	<b>20.62</b>

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### 22 Employee benefits expense

	Year ended December 31, 2019	Year ended December 31, 2018
Salaries, wages and bonus	2,736.01	2,826.32
Employee share based payments expense (Refer note 28)	35.71	-
Contributions to provident and other funds (Refer note 27)	332.56	308.00
Gratuity (Refer note 27)	80.99	72.35
Workmen and staff welfare expenses	228.17	241.51
<b>Total</b>	<b>3,413.44</b>	<b>3,448.18</b>

#### 23 Finance costs

	As at December 31, 2019	As at December 31, 2018
Other borrowing costs	0.13	20.87
<b>Total</b>	<b>0.13</b>	<b>20.87</b>

#### 24 Depreciation and amortisation expense

	Year ended December 31, 2019	Year ended December 31, 2018
Depreciation on property, plant and equipment	419.70	453.83
Amortisation of intangible assets	-	0.07
<b>Total</b>	<b>419.70</b>	<b>453.90</b>

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### 25 Other expenses

	Year ended December 31, 2019	Year ended December 31, 2018
Consumption of stores and spares	28.36	33.48
Power and fuel	631.61	710.37
Repairs and maintenance		
- Buildings	182.98	75.44
- Machinery	458.09	412.98
Processing charges	227.49	243.15
Freight and forwarding charges	838.49	872.65
Rent	27.81	9.55
Rates and taxes	49.23	45.54
Insurance	75.38	68.97
Travelling and conveyance	456.91	446.29
Legal and professional charges	463.35	389.69
Directors' Sitting fees	21.80	18.60
Payment to auditors (refer note 25 (a) below)	53.92	53.45
Foreign exchange fluctuation loss (net)	82.32	50.69
Provision for Doubtful debts	276.63	179.42
Bad debts written off	165.36	82.21
Less: Withdrawn from provision	(165.36)	(82.21)
	-	-
Software maintenance charges	21.83	38.33
Royalty	1,374.18	1,545.60
Consultancy service fees	496.24	605.24
Commission to Non Whole Time Directors	20.09	17.82
Expenditure towards Corporate social responsibility expenses (refer note 25 (b) below)	106.28	35.90
Advertising	77.58	91.59
Telephone charges	20.20	21.20
Bank charges	20.98	19.05
Safety & security expenses	118.66	97.47
Printing and stationery	29.16	29.50
Miscellaneous expenses	68.14	103.18
<b>Total</b>	<b>6,227.71</b>	<b>6,215.15</b>



## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### 25(a) Payment to auditors

	December 31, 2019	December 31, 2018
<b>As auditor</b>		
Statutory audit fees	27.99	27.99
Tax audit fees	7.00	7.00
Fees for limited reviews	10.50	10.50
<b>In other capacity</b>		
Other audit services	7.00	7.00
Reimbursement of expenses	1.43	0.96
<b>Total</b>	<b>53.92</b>	<b>53.45</b>

#### 25(b) Corporate social responsibility activities

	December 31, 2019	December 31, 2018
Gross amount required to be spent by the Company during the year	102.69	100.41

	December 31, 2019	December 31, 2018
<b>Amount spent during the year</b>		
a Construction / acquisition of an asset	39.49	26.37
b On purposes other than (a) above	66.79	9.53
<b>Total</b>	<b>106.28</b>	<b>35.90</b>

#### 26 Earnings per share (EPS)

	December 31, 2019	December 31, 2018
Net profit attributable to the Equity shareholders of the Company	3,453.29	3,203.65
Weighted average number of Equity shares	63,86,459	63,86,459
Face value of Equity share (in INR)	10.00	10.00
Basic and Diluted earnings per Equity share (in INR)	54.07	50.16

**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.

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### 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 non-current is based on the report of independent actuary prepared for the year ended December 31, 2019.

##### 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.

The Company has recognised the following amounts which are defined contribution plans in the Statement of Profit and Loss.

Particulars	Year ended December 31, 2019	Year ended December 31, 2018
Provident Fund	155.56	144.15
Superannuation Scheme	177.00	163.85
<b>Total</b>	<b>332.56</b>	<b>308.00</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.

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

- 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 1, 2018</b>	<b>911.20</b>	<b>(842.68)</b>	<b>68.52</b>
Current service cost	73.32	-	73.32
Interest expense/(income)	60.17	(61.14)	(0.97)
<b>Total amount recognised in statement of profit or loss</b>	<b>133.49</b>	<b>(61.14)</b>	<b>72.35</b>
Return on plan assets	-	(5.56)	(5.56)
(Gain)/loss from experience changes	248.03	-	248.03
(Gain)/loss from change in demographic assumptions	(17.45)	-	(17.45)
(Gain)/loss from change in financial assumptions	(100.51)	-	(100.51)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>130.07</b>	<b>(5.56)</b>	<b>124.51</b>
Employer contributions	-	(97.68)	(97.68)
Benefits paid	(127.48)	127.48	-
<b>Closing Balance as at December 31, 2018</b>	<b>1,047.28</b>	<b>(879.58)</b>	<b>167.71</b>
<b>Recognised as under:</b>			
Non Current Provision (Refer note 14)			-
Current Provision (Refer note 14)			167.71

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>Opening Balance as at January 1, 2019</b>	<b>1,047.29</b>	<b>(879.58)</b>	<b>167.71</b>
Current service cost	77.83	-	77.83
Interest expense/(income)	71.86	(68.70)	3.16
<b>Total amount recognised in statement of profit or loss</b>	<b>149.69</b>	<b>(68.70)</b>	<b>80.99</b>
Return on plan assets	-	18.89	18.89
(Gain)/loss from experience changes	(38.26)	-	(38.26)
(Gain)/loss from change in demographic assumptions	(3.50)	-	(3.50)
(Gain)/loss from change in financial assumptions	133.83	-	133.83
<b>Total amount recognised in Other Comprehensive Income</b>	<b>92.07</b>	<b>18.89</b>	<b>110.96</b>
Employer contributions	-	(205.76)	(205.76)
Benefits paid	(277.66)	277.66	-
<b>Closing Balance as at December 31, 2019</b>	<b>1,011.39</b>	<b>(857.49)</b>	<b>153.90</b>
<b>Recognised as under:</b>			
Non Current Provision (Refer note 14)			-
Current Provision (Refer note 14)			153.90

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### II The net liability disclosed above relates to funded plans are as follows :

Particulars	December 31, 2019	December 31, 2018
Present value of funded obligation	1,011.39	1,047.28
Fair value of plan assets	(857.49)	(879.58)
<b>Deficit</b>	<b>153.90</b>	<b>167.71</b>

#### III Significant estimates

The significant actuarial assumptions were as follows :

Particulars	December 31, 2019	December 31, 2018
Discount rate	6.88%	7.91%
Salary growth rate	7.50%	7.0% [Yr 1], 5.5% [YR 2 onwards]
Attrition rate	10.00%	9.00%

#### 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, 2019	December 31, 2018
<b>Discount rate</b>		
1 % increase	(53.78)	(46.30)
1 % decrease	59.94	50.98
<b>Salary growth rate</b>		
1 % increase	53.21	45.26
1 % decrease	(48.73)	(42.24)
<b>Attrition rate</b>		
1 % increase	(4.09)	6.57
1 % decrease	4.48	(7.27)

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.

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### Projected benefits payable from the fund in future years from the date of reporting:

	December 31, 2019	December 31, 2018
Less than a year	119.32	116.28
Between 1 to 2 years	140.39	221.84
Between 2 to 5 years	326.73	357.93
Over 5 years	251.83	324.40
<b>Total</b>	<b>838.27</b>	<b>1,020.45</b>

The weighted duration of the defined benefit obligation is 7 years.

#### V The major categories of plan assets are as follows:

Particulars	December 31, 2019	December 31, 2018
Funds managed by insurer	100%	100%

#### VI 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.

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### (iii) Compensated absences

The leave obligations cover the Company's liability for earned leave which are as follows:

	December 31, 2019	December 31, 2018
Current leave obligations expected to be settled within the next 12 months	57.94	62.36

## 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, does not carry dividend and voting rights till the RSUs become fully vested.

Set out below is a summary of options granted under the plan:

31-Dec-19

Particulars	Average exercise price per share option (GBP)	Number of options
Opening balance	-	-
Granted during the year *	NA	8,457
Vested and issued during the year	-	-
Forfeited during the year	-	-
Expired during the year	-	-
<b>Closing balance</b>		<b>8,457</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 31 December 2019
14 March 2019	NA	NA	8,457
<b>Total</b>			<b>8,457</b>
Weighted average remaining contractual life of options outstanding at end of the period			NA

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### Fair value of options granted:

The fair value at grant date of options granted during the year ended 31 December 2019 was GBP 5.02 per RSU. The equivalent fair value in INR for the year ended 31 December 2019 was INR 466.08 per RSU. The fair value at grant date is determined using the average middle market price of an ordinary share of GBP 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	31-Dec-19
Employee share based payment expense	35.71
<b>Total employee share-based payment expense</b>	<b>35.71</b>

## 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, 2019:

##### (I) Fellow Subsidiaries:

1	Foseco (Thailand) Limited
2	Foseco Industrial e-Commercial Ltda., Brazil
3	Foseco International Limited, United Kingdom
4	Foseco Japan Limited
5	Foseco Korea Limited
6	Foseco Nederland BV.
7	PT Foseco Trading Indonesia
8	PT Foseco Indonesia
9	Vesuvius Australia Pty Limited
10	Vesuvius Emirates (FZE), Dubai
11	Vesuvius Foundry Technologies (Jiangsu) Company Limited, China
12	Vesuvius GmbH, Germany
13	Vesuvius Group SA, Belgium





## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

14	Vesuvius Inc., USA
15	Vesuvius UK Limited, United Kingdom
16	Vesuvius Holdings Limited, United Kingdom
17	Vesuvius Malaysia Sdn. Bhd., Malaysia
18	Vesuvius Management Services Limited, United Kingdom
19	Vesuvius Ras Al Khaimah FZ-LLC, United Arab Emirates
20	Vesuvius Scandinavia AB, Sweden
21	Vesuvius Vietnam Co. Limited
22	Vesuvius India Limited
23	Foseco Philippines Inc., Philippines
24	Foseco Española, S.A , Spain
25	Foseco Golden Gate Co. Limited, Taiwan
26	Vesuvius Poland Sp.z.o.o, Poland

#### (iii) Key Management Personnel (KMP) as per Indian Accounting Standard (Ind AS) 24, Related Party Disclosures

	Name	Designation	Remarks
1	Mr. Ravi Kirpalani	Director and Chairperson	
2	Mr. Ajit Shah	Director	
3	Mr. Guy Young	Director	w.e.f. January 25, 2019
4	Mr. Indira Parikh	Director	till March 28, 2019
5	Mr. Glenn Cowie	Director	till September 26, 2019
6	Ms. Anita Belani	Director	w.e.f. June 25, 2019
7	Ms. Karena Cancilleri	Director	w.e.f. October 31, 2019
8	Mr. Sanjay Mathur	Managing Director*	
9	Mr. R Umesh	Chief Financial Officer*	
10	Mr. Mahendra Kumar Dutia	Controller of Accounts and Company Secretary*	

\*(As per section 2 (51) of 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)

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

(b) Transactions with related parties during the year ended;

Sr.	Name of the Party and nature of transaction	December 31, 2019	December 31, 2018
<b>i)</b>	<b>Immediate Holding Company</b>		
<b>1</b>	<b>Foseco Overseas Limited, United Kingdom</b>		
	Dividends	926.05	1,000.14
<b>ii)</b>	<b>Parent of Immediate Holding Company</b>		
<b>1</b>	<b>Foseco (U.K.) Limited, United Kingdom</b>		
	Dividends	135.14	145.95
<b>iii)</b>	<b>Subsidiary of Ultimate Parent Company</b>		
<b>1</b>	<b>Vesuvius Holdings Limited, United Kingdom</b>		
	Dividends	136.02	146.90
	Reimbursement of Services Received	29.89	27.14
<b>iv)</b>	<b>Fellow Subsidiaries of Holding Company</b>		
<b>1</b>	<b>Foseco International Limited, United Kingdom</b>		
	Royalty	1,374.18	1,545.60
	Reimbursement of Services Rendered	158.10	304.41
	Reimbursement of Services Received	4.35	-
<b>2</b>	<b>Foseco (Thailand) Limited, Thailand</b>		
	Export of Finished Goods	152.61	208.04
	Reimbursement of Services Rendered	-	2.11
	Import of Raw Materials	2.57	-
<b>3</b>	<b>Foseco Korea Limited, Korea</b>		
	Export of Finished Goods	71.35	78.73
	Import of Raw Materials	1.42	-
	Reimbursement of Services Received	2.38	-
<b>4</b>	<b>Foseco Industrial e-Commercial Ltda., Brazil</b>		
	Import of Raw Materials	-	62.18
	Export of Finished Goods	1.17	2.00
<b>5</b>	<b>Foseco Japan Limited, Japan</b>		
	Export of Finished Goods	-	2.78
	Import of Raw Materials	304.62	258.79
	Reimbursement of Services Received	2.07	0.56



## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

Sr.	Name of the Party and nature of transaction	December 31, 2019	December 31, 2018
<b>6</b>	<b>Foseco Nederland BV., Netherlands</b>		
	Import of Raw Materials	6.38	40.86
<b>7</b>	<b>PT Foseco Indonesia, Indonesia</b>		
	Reimbursement of Services Rendered	1.37	4.54
	Import of Raw Materials	-	1.50
<b>8</b>	<b>PT Foseco Trading Indonesia</b>		
	Export of Finished Goods	260.84	276.84
<b>9</b>	<b>Foseco Philippines Inc., Philippines</b>		
	Export of Finished Goods	-	3.09
<b>10</b>	<b>Foseco Española, S.A , Spain</b>		
	Import of Raw Materials	-	7.34
<b>11</b>	<b>Foseco Golden Gate Co. Limited, Taiwan</b>		
	Export of Finished Goods	-	0.31
<b>12</b>	<b>Vesuvius UK Limited, United Kingdom</b>		
	Export of Finished Goods	8.22	-
	Import of Raw Materials	325.49	260.70
	Reimbursement of Services Rendered	-	0.67
<b>13</b>	<b>Vesuvius Inc., USA</b>		
	Import of Raw Materials	84.05	165.15
	Reimbursement of Services Received	1.21	-
	Export of Finished Goods	0.18	-
<b>14</b>	<b>Vesuvius GmbH, Germany</b>		
	Import of Raw Materials	1,098.41	1,556.13
	Reimbursement of Services Received	0.53	3.36
	Export of Finished Goods	1.10	-
<b>15</b>	<b>Vesuvius Malaysia Sdn. Bhd., Malaysia</b>		
	Export of Finished Goods	131.39	149.00
	Reimbursement of Services Rendered	2.58	12.68
	Import of Raw Materials	4.35	1.37
<b>16</b>	<b>Vesuvius Group SA, Belgium</b>		
	Consultancy Service Fees	386.31	605.24
	Reimbursement of Services Received	12.70	48.18
	Reimbursement of Services Rendered	69.26	61.14

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

Sr.	Name of the Party and nature of transaction	December 31, 2019	December 31, 2018
17	<b>Vesuvius Emirates (FZE), Dubai</b> Export of Finished Goods	1,098.52	839.19
18	<b>Vesuvius Poland Sp.z.o.o, Poland</b> Import of Raw Materials	-	1.82
19	<b>Vesuvius Foundry Technologies (Jiangsu) Company Limited, China</b> Export of Finished Goods	549.38	406.77
20	<b>Vesuvius Australia Pty Limited</b> Reimbursement of Services Received	1.65	1.75
21	<b>Vesuvius New Zealand Limited</b> Export of Finished Goods	-	0.48
22	<b>Vesuvius Scandinavia AB, Sweden</b> Import of Raw Materials	1.55	2.39
23	<b>Vesuvius Ras Al Khaimah FZ-LLC, United Arab Emirates</b> Import of Raw Materials	2.38	-
24	<b>Vesuvius Vietnam Company Limited</b> Export of Finished Goods	7.37	-
25	<b>Vesuvius Management Services Limited, United Kingdom</b> Reimbursement of Services Rendered Consultancy Service Fees	33.99 109.93	-
26	<b>Vesuvius India Limited</b> Sale of Finished Goods Reimbursement of Services Rendered	70.47 24.22	20.80 20.95
iv)	<b>Key Management Personnel Compensation</b> Remuneration paid including perquisites Short term and Post employment benefits Directors sitting fees Commission paid	453.51 70.81 21.80 20.09	414.62 37.34 18.60 17.82

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### Summary of Related Party Transactions other than remuneration to KMP for financial year ended December 31, 2019

Sr. No.	Nature of transaction	Immediate Holding Company	Subsidiaries of Ultimate Parent Company	Fellow Subsidiaries	Total
1	Import of Raw Materials	-	-	1,831.22	<b>1,831.22</b>
2	Export of Finished Goods	-	-	2,282.13	<b>2,282.13</b>
3	Sale of Finished Goods	-	-	70.47	<b>70.47</b>
4	Reimbursement of Services Rendered	-	-	289.52	<b>289.52</b>
5	Reimbursement of Services Received	-	29.89	24.89	<b>54.78</b>
6	Dividends*	926.05	271.16	-	<b>1,197.21</b>
7	Royalty	-	-	1,374.18	<b>1,374.18</b>
8	Consultancy Service Fees	-	-	496.24	<b>496.24</b>
	<b>Total</b>	<b>926.05</b>	<b>301.05</b>	<b>6,368.65</b>	<b>7,595.75</b>

\* The above figure represents interim dividends paid during the year and final dividend for the previous year ended December 31, 2018

#### Summary of Related Party Transactions other than remuneration to KMP for financial year ended December 31, 2018

Sr. No.	Nature of transaction	Immediate Holding Company	Subsidiaries of Ultimate Parent Company	Fellow Subsidiaries	Total
1	Import of Raw Materials	-	-	2,358.23	<b>2,358.23</b>
2	Export of Finished Goods	-	-	1,967.23	<b>1,967.23</b>
3	Sale of Finished Goods	-	-	20.80	<b>20.80</b>
4	Reimbursement of Services Rendered	-	-	406.50	<b>406.50</b>
5	Reimbursement of Services Received	-	27.14	53.85	<b>80.99</b>
6	Dividends*	1,000.14	292.85	-	<b>1,292.99</b>
7	Royalty	-	-	1,545.60	<b>1,545.60</b>
8	Consultancy Service Fees	-	-	605.24	<b>605.24</b>
	<b>Total</b>	<b>1,000.14</b>	<b>319.99</b>	<b>6,957.45</b>	<b>8,277.58</b>

\* The above figure represents interim dividends paid during the year and final dividend for the previous year ended December 31, 2017

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### (c) Outstanding balances from sale / rendering of services and purchase of goods / receipt of services

	Name of the Company	December 31, 2019	December 31, 2018
<b>(i)</b>	<b>Trade Receivables</b>		
1	Foseco (Thailand) Limited	-	15.21
2	Vesuvius Emirates (FZE), Dubai	41.21	265.67
3	PT Foseco Trading Indonesia	24.17	27.65
4	Foseco Korea Limited, Korea	5.07	-
5	Vesuvius Foundry Technologies (Jiangsu) Co.,Ltd	75.25	65.66
6	Vesuvius UK Limited	9.22	-
7	Vesuvius Malaysia Sdn Bhd	7.17	12.68
	<b>Total (a)</b>	<b>162.09</b>	<b>386.87</b>
<b>(ii)</b>	<b>Other receivables</b>		
1	Vesuvius UK Limited	-	0.67
2	Foseco International Limited, United Kingdom	10.46	3.78
3	Vesuvius Group SA, Belgium	-	10.22
4	Vesuvius Management Services Limited, United Kingdom	41.10	-
	<b>Total (b)</b>	<b>51.56</b>	<b>14.67</b>
	<b>Grand Total (a+b)</b>	<b>213.65</b>	<b>401.54</b>

	Name of the Company	December 31, 2019	December 31, 2018
<b>(i)</b>	<b>Trade Payables</b>		
1	Foseco Japan Limited	29.80	41.04
2	Foseco Nederland BV.	-	3.99
3	Vesuvius GmbH, Germany	171.56	208.19
4	Vesuvius UK Limited, United Kingdom	12.01	-
5	Vesuvius USA	37.59	15.02
6	Vesuvius India Limited	14.03	-
7	Foseco (Thailand) Limited	-	2.57
	<b>Total (a)</b>	<b>264.99</b>	<b>270.81</b>
<b>(ii)</b>	<b>Other Payables</b>		
1	Foseco International Limited, United Kingdom	263.74	321.43
2	Vesuvius Group SA, Belgium	-	163.66
3	Vesuvius Management Services Limited, United Kingdom	109.93	-
4	Vesuvius GmbH, Germany	0.27	0.61
	<b>Total (b)</b>	<b>373.94</b>	<b>485.70</b>
	<b>Grand Total (a+b)</b>	<b>638.93</b>	<b>756.51</b>

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### 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 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's revenue from geographic locations other than India are insignificant to the total revenue of the Company.

The Company does not have any customer contributing to 10% or more to the total revenue.

##### (b) Non-current assets

All the non-current assets are located within India.

#### 31 Contingencies and Commitments

##### a) Contingent Liabilities

###### Legal Matters Under Dispute

	As at December 31, 2019	As at December 31, 2018
i. Income Tax Demands in respect of which the Company is in Appeal	140.95	140.95
ii. Sales Tax Demands in respect of which the Company is in Appeal	-	39.66
<b>Total</b>	<b>140.95</b>	<b>180.61</b>

##### i) Legal matters under dispute

The Company is contesting the demands and the management believes that its position is likely to be upheld in the appellate process. It is not practicable to estimate the timing of cash outflows, if any in respect of legal matters, pending resolution of the proceedings with the appellate authorities.

##### b) Bank Guarantees

	As at December 31, 2019	As at December 31, 2018
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.	33.08	23.08

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### c) Capital Commitments

	As at December 31, 2019	As at December 31, 2018
Estimated Amount of Contracts remaining to be executed on Capital account and not provided for (net of advance payments)	54.48	397.72

## 32 Fair Value Measurements

### Financial instruments measured at amortised cost by category

	Year Ended December 31, 2019	Year Ended December 31, 2018
<b>Financial assets</b>		
Trade receivables	7,284.64	8,700.95
Receivable from related parties	51.56	14.67
Loans to employees	35.76	37.87
Security deposits	61.11	40.96
Cash and cash equivalents	11,107.60	9,239.08
Bank balances other than cash and cash equivalents	77.79	76.82
Interest accrued on fixed deposits	4.36	11.88
<b>Total financial assets</b>	<b>18,622.82</b>	<b>18,122.23</b>
<b>Financial liabilities</b>		
Trade payables	6,419.30	6,534.53
Deposits from customers	14.25	14.25
Unclaimed dividend	77.79	76.42
Accrued employee benefit obligations	237.52	610.30
Deposit for leasehold land	16.75	16.75
Payable to related parties	373.94	485.70
Dues to non-executive directors	20.09	17.82
<b>Total financial liabilities</b>	<b>7,159.64</b>	<b>7,755.77</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.



## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, 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) Only derivative contracts are measured at fair value. These derivative contracts are categorised as Level 2 financial instruments.
- (b) Assets and liabilities which are measured at amortised cost for which fair values are disclosed.

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

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

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.

#### Movement of provision for doubtful debts:

Particular	Amount
<b>Loss Allowance as on December 31, 2018</b>	<b>435.97</b>
Additions during the year	276.63
Written back during the year	(201.78)
Utilisation during the year (bad debts)	(165.36)
<b>Loss Allowance as on December 31, 2019</b>	<b>345.46</b>

#### (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.

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### (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-December-2019	< 1 year	> 1 year
Trade payables	6,419.30	-
Accrued employee benefit obligations	225.31	12.21
Deposit for leasehold land	-	16.75
Dues to Non-executive Directors	20.09	-
Unclaimed dividend	77.79	-
Payable to related parties	373.94	-
Deposits from customers	14.25	-
<b>Total</b>	<b>7,130.68</b>	<b>28.96</b>

31-December-2018	< 1 year	> 1 year
Trade payables	6,534.53	-
Accrued employee benefit obligations	440.29	170.01
Deposit for leasehold land	-	16.75
Dues to Non-executive Directors	17.82	-
Unclaimed dividend	76.42	-
Payable to related parties	485.70	-
Deposits from customers	14.25	-
<b>Total</b>	<b>7,569.01</b>	<b>186.76</b>

#### (C) Market risk

Market risk comprises of foreign currency risk and interest rate risk

##### 1) 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, 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.

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, 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 INR, are as follows :

	December 31, 2019				December 31, 2018			
	USD	EUR	GBP	JPY	USD	EUR	GBP	JPY
<b>Financial assets</b>								
Trade receivables	152.87	-	9.22	-	386.87	-	-	-
Other receivables	-	41.10	10.46	-	-	10.23	4.44	-
Bank balances in EEFC Accounts	210.66	5.72	-	-	87.89	-	-	-
<b>Exposure to foreign currency risk (assets) (A)</b>	<b>363.53</b>	<b>46.82</b>	<b>19.68</b>	<b>-</b>	<b>474.76</b>	<b>10.23</b>	<b>4.44</b>	<b>-</b>
<b>Financial liabilities</b>								
Trade payables	355.80	185.22	12.01	29.80	268.84	361.12	-	41.04
Other payables	-	110.20	-	-	-	-	-	-
<b>Exposure to foreign currency risk (liabilities) (B)</b>	<b>355.80</b>	<b>295.42</b>	<b>12.01</b>	<b>29.80</b>	<b>268.84</b>	<b>361.12</b>	<b>-</b>	<b>41.04</b>
<b>Net foreign currency exposure (A) - (B)</b>	<b>7.73</b>	<b>(248.60)</b>	<b>7.67</b>	<b>(29.80)</b>	<b>205.92</b>	<b>(350.89)</b>	<b>4.44</b>	<b>(41.04)</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	
	December 31, 2019	December 31, 2018
<b>USD sensitivity</b>		
INR/USD - Increase by 5% (31 December 2018-5%)	0.37	5.90
INR/USD - Decrease by 5% (31 December 2018-5%)	(0.37)	(5.90)
<b>EUR sensitivity</b>		
INR/EUR - Increase by 5% (31 December 2018-5%)	(12.40)	(17.54)
INR/EUR - Decrease by 5% (31 December 2018-5%)	12.40	17.54
<b>GBP sensitivity</b>		
INR/GBP - Increase by 5% (31 December 2018-5%)	0.38	0.22
INR/GBP - Decrease by 5% (31 December 2018-5%)	(0.38)	(0.22)
<b>JPY sensitivity</b>		
INR/JPY - Increase by 5% (31 December 2018-5%)	(1.66)	(2.05)
INR/JPY - Decrease by 5% (31 December 2018-5%)	1.66	2.05

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### 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.

#### 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 and the requirements of the financial covenants.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December, 2018 and 31 December, 2019

##### b) Dividends

	December 31, 2019	December 31, 2018
<b>(i) Equity shares</b>		
Final dividend for the year ended 31 December 2018 : Rs. 10 (December 31, 2017 : Rs. 12) per fully paid share	638.65	766.38
Dividend Distribution tax on final dividend	131.27	156.02
Interim dividend for the financial year ended 31 December, 2019 Rs.15 (31 December, 2018 : Rs. 15) per fully paid share	957.97	957.97
Dividend Distribution tax on interim dividend	196.96	196.91
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
The directors have recommended the payment of a final dividend of Rs.10 per fully paid equity share (December 31, 2018 - Rs. 10, per fully paid equity share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	638.65	638.65
Dividend Distribution tax thereon	131.31	131.27

## Foseco India Limited

### Notes to the financial statements for the year ended December 31, 2019 (continued)

(All amounts in INR lakhs, unless otherwise stated)

#### 35 Research and Development

Revenue expenditure incurred on in-house Research and Development activities Rs. 86.73 Lakhs (December 31, 2018: Rs. 90.61 Lakhs).

Capital expenditure in relation to acquisition of property plant and equipment incurred on in-house research and development activities is Rs. 11.56 Lakhs (December 31, 2018: Rs. 46.05 Lakhs)

#### 36 Prior Period Comparative

Previous year's figures have been regrouped / reclassified wherever considered necessary to conform to current year's classification / disclosure

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

**Amit Borkar**  
Partner  
Membership No.: 109846  
UDIN : 20109846AAAAAN9109

**For and on behalf of the Board of Directors of Foseco India Limited**  
Corporate Identification No. (CIN) : L24294PN1958PLC011052

<b>Ravi Kirpalani</b> Chairman DIN : 02613688	<b>Sanjay Mathur</b> Managing Director DIN : 00029858	<b>Ajit Shah</b> Director DIN : 02396765
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<b>Guy Young</b> Director DIN : 0008334721	<b>Anita Belani</b> Director DIN : 01532511
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<b>R Umesh</b> Chief Financial Officer	<b>Mahendra Dutia</b> Controller of Accounts and Company Secretary
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Place : Pune  
Date : January 29, 2020

Place : Sanaswadi, Pune  
Date : January 29, 2020



## Foseco India Limited

### Addendum to the notes to the financial statements for the year ended December 31, 2019

**Note 37** This note is supplemental to, and should be read in conjunction with the accompanying notes forming integral part of the financial statements for the year ended December 31, 2019 approved by the Board of Directors at its meeting held on January 29, 2020.

Note 34(b) of the aforesaid financial statements is referred to, where the Board of Directors proposed a final dividend, which was subject to the approval of the shareholders in ensuing Annual General Meeting.

The Board of Directors in its meeting held on May 27, 2020 have decided to fully withdraw its recommendation on payment of a final dividend for the financial year ended December 31, 2019. This measure is thought fit to conserve cash for continuing its business operations smoothly, as far as may be, given the uncertainties associated with the nature of COVID-19 pandemic and its duration. Accordingly, Note 34(b) stands amended.

As per our report of even date attached

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

**Amit Borkar**  
Partner  
Membership No.: 109846  
UDIN : 20109846AAAADP9602

Place : Pune  
Date : 23rd July 2020

**For and on behalf of the Board of Directors of  
Foseco India Limited**  
Corporate Identification No. (CIN) : L24294PN1958PLC011052

**Ravi Kirpalani**  
Chairman  
DIN : 02613688

**Sanjay Mathur**  
Managing Director  
DIN : 00029858

**Ajit Shah**  
Director  
DIN : 02396765

**R Umesh**  
Chief Financial Officer

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

Place : Pune  
Date : 23rd July 2020

# Financial Highlights



Years	2015	2016	2017	2018	2019
<b>Operating Results</b>					
Total Revenue from Operations	29,402.49	38,051.84	37,868.79	36,215.58	32,252.39
Operating Expenses	24,145.44	32,372.85	32,482.36	30,733.55	26,869.78
EBIDTA	5,257.05	5,678.99	5,386.43	5,482.03	5,382.61
Finance Cost	12.20	41.52	35.26	20.87	0.13
Depreciation	454.00	505.20	534.13	453.90	419.70
Profit before Tax and Extraordinary Item	4,790.85	5,132.27	4,817.04	5,007.26	4,962.78
Extraordinary Items	-	-	-	-	-
Tax Expense	1,617.96	1,824.10	1,659.63	1,803.61	1,509.49
Profit after Tax	3,172.89	3,308.17	3,157.41	3,203.65	3,453.29
<b>Sources and Application of Funds</b>					
Share Capital	638.65	638.65	638.65	638.65	638.65
Reserves	10,253.88	11,794.13	13,926.78	14,972.15	16,500.18
Shareholders Funds	10,892.53	12,432.78	14,565.43	15,610.80	17,138.83
Deferred Tax Liability (Net)					
Loan Funds / Non Current Liabilities	294.19	152.21	127.73	233.97	80.80
Current Liabilities	5,091.98	5,710.90	7,401.26	8,001.08	7,646.28
<b>Total Sources</b>	<b>16,278.70</b>	<b>18,295.89</b>	<b>22,094.42</b>	<b>23,845.85</b>	<b>24,865.91</b>
Net Fixed Assets	2,718.10	2,593.94	2,392.75	2,565.99	3,594.20
Investments	-	-	-	-	-
Deferred Tax Assets (Net)	140.65	180.79	223.27	305.13	185.60
Long Term Loans and Advances	983.70	750.61	388.31	715.14	471.33
Net Current Assets	12,436.25	14,770.55	19,090.09	20,259.59	20,614.78
<b>Total Application</b>	<b>16,278.70</b>	<b>18,295.89</b>	<b>22,094.42</b>	<b>23,845.85</b>	<b>24,865.91</b>
Debt Equity Ratio	0.03	0.01	0.01	0.01	0.00
Earning per Share (Rs.)	49.68	51.80	49.44	50.16	54.07
Dividend per Share (Rs.)					
- Regular	26.50	23.00	23.00	25.00	25.00
<b>Net Worth of Company</b>	<b>7,050.08</b>	<b>8,907.44</b>	<b>11,561.10</b>	<b>12,024.54</b>	<b>12,887.70</b>





## FOSECO INDIA LIMITED

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CIN: L24294PN1958PLC011052