



May 26, 2023

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

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

Scrip Code : 500150

Scrip code : FOSECOIND

Dear Sirs,

Sub: Chairman's Speech

We wish to inform you that the 66th Annual General Meeting of Foseco India Limited was held on Wednesday, May 24, 2023 at 1430 Hours (IST) through Video Conferencing.

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, we are submitting herewith a copy of the Speech that was delivered by the Chairman at the aforesaid meeting.

Kindly take the same on record.

Yours faithfully,

For FOSECO INDIA LIMITED

MAHENDRA
KUMAR DUTIA

Digitally signed by
MAHENDRA KUMAR DUTIA
Date: 2023.05.26 23:16:12
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Mahendra Kumar Dutia
Controller of Accounts and Company Secretary

FOSECO INDIA LIMITED

Chairperson's Speech – 66th Annual General Meeting

24th May 2023

Dear Members,

Good Afternoon, Ladies and Gentlemen and Good Morning to all those who have joined this meeting from the UK. It is my privilege to welcome you all to the 66th Annual General Meeting of the Company being conducted through video conferencing facilities. This is my 5th AGM as the Chairman and the 4th virtual AGM of the Company, being conducted on the National Securities Depository Limited's (NSDL) platform.

I hope that all of you and your families are keeping well. The virtual AGM is a progressive and futuristic step as it allows members irrespective of where they are physically present either in India or even abroad, participate in this AGM. Lots of planning and efforts have gone behind the virtual AGM of the Company today with the objective that large number of members can participate in the meeting.

The Company Secretary has advised me that the members attending the AGM through VC facility shall be counted for quorum as per Section 103 of the Act. The quorum as required under law is present and fulfilled. Therefore, I declare this meeting as validly convened.

The Company has received 3 letters alongwith Board Resolutions from the promoter shareholders appointing their authorised representatives under Section 113 of the Companies Act 2013 in respect of 47,88,845 equity shares representing 74.98% of the total paid-up shares of the Company, to attend this meeting virtually. I welcome the authorised representatives who have joined this meeting from London, UK.

The Annual Report and the Audited Accounts for the financial year ended 31 December 2022 have been with you for some time and with your permission, I will take them as readThank you !

Introduction of the Directors

I would now like to introduce my fellow Board Members who are present today through Video Conferencing, participating from their respective home or offices. Starting with me, I am Ravi Kirpalani, Non-Executive Independent Director and Chairman of the Board and also a Member each of the Audit Committee, the Nomination and Remuneration Committee (NRC), the Corporate Social Responsibility Committee (CSR) and the Risk Management Committee (RMC). In addition, I am the

Chairperson of the Stakeholders' Relationship Committee (SRC). I am participating from my home office in Gurgaon, Haryana.

Ms. Anita Belani, Non-Executive Independent Director on the Board of the Company. She is the Chairperson each of the CSR & NRC and a member each of the Audit Committee, the SRC and the RMC. She has an MBA. from XLRI, Jamshedpur and B.A.(Hons) in Economics Degree from Miranda House, University of Delhi. Ms. Anita Belani is a seasoned professional with 35 years of rich experience as a senior business and human capital leader. She is participating from her residence in Mumbai. ??

Mr. Amitabha Mukhopadhyay, Non-Executive Independent Director on the Board of the Company. He is the Chairperson each of the Audit and RMC and a member each of the SRC, NRC and CSR Committee. He is a Chartered Accountant from the Institute of Chartered Accountants of India.. He is also a law graduate from the Pune University. Mr. Mukhopadhyay is the Managing Director of IFB Agro Industries Limited. Earlier he has worked for leading Indian groups and also held role as Business Head of disparate businesses. He is participating from his office in Kolkata.

Mr. Mark Russell Collis, Non-Executive Non-Independent Director on the Board of the Company and a nominee of the Holding Company – Foseco Overseas Limited, has joined the Board of the Company as an Additional Director on 27th February 2023. He is the Chief Financial Officer of the Vesuvius plc, the group company. Mr. Collis has over 20 years of senior financial experience and operational and leadership skills gained through management roles in a number of international businesses including Amec Foster Wheeler plc, Expro International Group and most recently as Chief Financial Officer of the Operations business of John Wood Group PLC. He is a Member each of the Audit Committee and the RMC of the Board of the Company. He is participating from London.

Ms. Karena Cancilleri, Non-Executive Non-Independent Director on the Board of the Company and a nominee of the Holding Company – Foseco Overseas Limited. She is the President, Foundry Technologies of the Vesuvius plc. She is a Member each of the Board's NRC and RMC. She is currently on business travel to China and is therefore not able to join this meeting.

Mr. Prasad Chavare, the MD & CEO of the Company. He is also the VP of India & ASEAN, Foundry division. Prasad is a Member each of the Board's SRC, CSR and RMC. He has joined this meeting from Kolhapur.

Also joining us today are Mr. Mohit Mangal, CFO and Mr. Mahendra Dutia, Controller of Accounts and Company Secretary & Compliance Officer of the Company. They have joined this meeting from the Company's Office in Sanaswadi, Pune.

Participation of the Auditors

I also formally acknowledge the participation of Mr. Amit Borkar, the partner of Price Waterhouse Chartered Accountants LLP (PwC), the Statutory Auditors, Mr. Rajesh Karunakaran, the sole proprietor of Rajesh Karunakaran & Co., the Secretarial Auditor and Mrs. Bijal Panchal representative of Joshi Apte and Associates, the Cost Auditor of the Company.

Inspection of Documents

Electronic copy of all the documents referred in the AGM Notice and the Explanatory Statement thereto including the statutory records are made available for inspection to members up to the conclusion of this AGM. In case of any queries, you may write an email to investor.grievance@vesuvius.com.

Electronic Notice and the Annual Report

The Notice convening the 66th Annual General Meeting, the Directors' Report and the Audited Annual Accounts for the year ended 31 December 2022 were sent by e-mail on 28th April 2023, to those members whose e-mail IDs were registered with the Company/Depository Participant(s), unless any member has requested for a hard copy of the same. In case any member is desirous of obtaining a hard copy of the Annual Report for the financial year 2022, they may send a request by writing an e-mail to the Company's Registrar, Linkintime India Pvt. Ltd., mentioning their Folio No./ DP ID and Client ID. The Annual Report and the AGM Notice are available on the Company's website: www.fosecointia.com. Additionally, these can be accessed on the websites of the Stock Exchanges i.e. the BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of NSDL (agency providing the Remote e-Voting facility and e-voting system during the AGM) at www.evoting.nsdl.com.

I am happy to note that the Auditor's Report on the Annual Accounts of the Company for the financial year ended 31 December 2022 does not contain any qualifications, observations or comments on financial transactions or matters, having an adverse effect on the functioning of the Company. Therefore, in terms of the provisions of Section 145 of the Companies Act, 2013, the Auditor's Report is not required to be read at the AGM, and hence, I take the Auditor's Report as read.

Introduction

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

2022 Performance Overview

In the past year, Foseco delivered strong financial and operational performance. Last year has seen your Company's topline grow and at the same time improving profitability and maintaining the total trade working capital. Our revenue has increased by over 20% while profit after tax has risen by over 40% compared to 2021. As we head into 2023, we recognise the uncertainty in global economic developments. However, your Company's priority is to consolidate further by continuing to drive profitable growth and strengthen our market position. We are committed to delivering value to our stakeholders and contributing to sustainable development. To achieve this, we have taken several key strategic initiatives, including investments in innovation, and sustainability. In the past year, your Company has made significant progress in these areas by launching new products and technologies that improve casting quality, reduce emissions, and optimise resource usage. Your Company generated ₹ 5871 Lakh net cash from its operating activities in 2022 as against ₹ 1982 Lakh in 2021. In view of the good performance of the Company, your Directors are pleased to recommend, for approval of the Shareholders', a Final Dividend of ₹ 25/- per share (i.e., 250%), on the paid-up equity share of ₹ 10/- each, for the financial year ended 31 December 2022, plus a one-time special dividend of ₹ 15/- (150%) per share on the occasion of Foseco India completing 65 years in India taking the total final dividend to ₹ 40/- (400%) per share.

Economic Overview

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

Despite these challenges, the Indian economy remained resilient even in the face of a deteriorating global situation. India's overall growth remains robust and is estimated to be 6.9% in the year 2023. Indeed, India is amongst the fastest-growing major economies in the world. Large public CAPEX investments into infrastructure and a moderating rate of inflation will help India grow at 6.5%.

Industry Overview

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

2023 The Year So Far

This year has also begun on a positive note as you would have seen from the 1Q results. We are particularly happy to report this continuing strong performance at a time when the Company is completing 65 years of its existence. We remain committed in shaping the future of our industry with the continued support of our employees, customers, vendors and other stakeholders.

As they have done in the past, the Management is continually maintaining and building on its engagement with the employees by communicating the business updates and plans through Town Hall meetings. This has helped everyone in the company to keep themselves abreast with the organisation strategies, goals and align them to a common objective. The Company has set its priority to grow the sales and strengthen its market position in the foundry industry, in all divisions and in every region, while keeping its sight on profitability and working capital management. But the first and foremost is its commitment towards safety of its people and the best-in-class quality of the products.

Sustainability

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

Corporate Social Responsibility Initiatives

In the year 2022, your Company continued with its CSR initiatives in the areas of education, healthcare, social causes and environment. The Company's CSR activities focus on the disadvantaged, vulnerable and marginalised segments of society. The Company has built collaborative partnerships with communities. Like in the previous years, the Company continued its association with Jehangir Hospital for detecting juvenile diabetes in young boys and girls and supporting their families by distributing medicine and diabetics kits for the treatment of diabetes. Encouraged by the performance of the earlier years and response received from the previous recipients, the Company continued with its project of supplying biomass cookstoves under the banner of **"Happy Family Kit"** to the needy families in the slum and semi-urban areas. This unique cookstove is environment friendly as it emanates less smoke in comparison with traditional cookstoves that adversely affects the health of the women cooking food for their families. Due to its relevance to the community, it has created huge, favourable and visible impact in the lives of the beneficiary community. Print and digital media had given wide coverage to this. In the area of education, the Company had provided bunk beds to a residential school near the Company's plant, that provides free education and stay on its premises to children of migrant workers and labourers residing nearby. Your Company will continue to work on social projects which are within the ambit of its CSR Policy that will help the society in the long run.

Board Matters:

I take this opportunity to place before you the recommendation of the Board for the re-appointment of Karena Cancilleri, as a Director who retires by rotation at this AGM and being eligible, offers herself for re-appointment. In addition to that, my candidature for re-appointment as an Independent Director for the second term of 5 years commencing from October 26, 2023 is also recommended by the Board for your approval. As mentioned earlier, Mark Russell Collis has joined the Board of the Company as an Additional and a Non-executive Non-Independent Director on 27th February 2023. His term comes to an end at this AGM. He has been recommended by the Board for appointment. A brief resume and other relevant details of the appointment or re-appointment of these Directors are provided in the AGM Notice. The concerned Resolutions are carried in the Notice of the AGM. Since the last AGM, Guy Franklin Young has ceded office of Directorship due to his resignation as a CFO of Vesuvius plc. The Board of Directors, places on record their deep appreciation of the services provided by him.

The Members are also required to ratify the remuneration payable to Joshi Apte & Associates, the Cost Auditor, for the financial year ending on 31st December 2023. A fee of ₹ 4,20,000/-, exclusive of the GST, has been decided to be payable to the Cost Auditors, which is the same as paid in the last year. A Resolution in this regard is carried in the AGM Notice for your consideration.

Appreciation

In the end, I would like to place on record the sincere appreciation for the wholehearted support and contributions made by all the employees of the Company as well as customers, suppliers, bankers and other stakeholders. I would like to thank all those who have joined this meeting through VC and I look forward to similar support in future as well. I wish to also thank all the stakeholders of the Company and the parent Company, for their continuous support, guidance and patronage

I wish you all the very best for the year ahead.

Thank you!

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