

COURAGE
OWNERSHIP
RESPECT
ENERGY

Foseco India Limited
62nd Annual Report 2018



Our People...



Corporate Information

Board of Directors

Ravi Moti Kirpalani	Director & Chairperson (From 26 October 2018 onwards)
Sanjay Mathur	Managing Director & CEO
Ajit Shah	Director
Indira Parikh	Director
Glenn Cowie	Director
Guy Franklin Young	Director (From 25 January 2019 onwards)
Merryl Durrenbach	Director (Up to 26 October 2018)
Pradeep Mallick	Director (Up to 24 April 2018)

Chief Financial Officer

R. Umesh

Company Secretary & Compliance Officer

Mahendra Kumar Dutia

Audit Committee

Ajit Shah	Chairperson
Ravi Moti Kirpalani	
Guy Franklin Young	
Indira Parikh	

Stakeholders Relationship Committee

Ravi Moti Kirpalani	Chairperson
Ajit Shah	
Indira Parikh	
Sanjay Mathur	

Nomination & Remuneration Committee

Ajit Shah	Chairperson
Ravi Moti Kirpalani	
Indira Parikh	
Glenn Cowie	

Corporate Social Responsibility Committee

Indira Parikh	Chairperson
Ravi Moti Kirpalani	
Ajit Shah	
Sanjay Mathur	

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
E-mail ID: 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

Website : linkintime.co.in

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Foseco India Limited

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

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

Website: www.fosecoindia.com, E-mail ID: investor.grievance@vesuvius.com

Corporate Identity Number: L24294PN1958PLC011052

Notice to the Members

NOTICE IS HEREBY GIVEN THAT the **62nd Annual General Meeting** of the Members of **Foseco India Limited** will be held on **Friday, 26 April 2019 at 1200 Hours (IST)** at the Registered Office of the Company at Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur, District Pune - 412 208, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31 December 2018, the Statement of Profit & Loss and the Cash Flow Statement for the financial year ended on that date including any 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 ₹ 15 per share (i.e., 150%) on a share of ₹ 10 each and to declare a final dividend of ₹ 10 per share (i.e., 100%) on the Equity Shares of the Company for the financial year ended 31 December 2018.
3. To appoint a Director in place of **Glenn Allan Cowie (DIN: 07163534)**, who retires by rotation and being eligible, offers himself for re-appointment.
4. **Ratification of the appointment of the Statutory Auditors and to fix their remuneration**

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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Amendment) Act, 2017 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the Resolutions passed by the Members of the Company at the 60th Annual General Meeting held on 27 April 2017 and at the 61st Annual General Meeting held on 24 April 2018, the Company hereby further ratifies the appointment of Price Waterhouse Chartered Accountants LLP (Firm registration no. - 012754N / N500016), Chartered Accountants, as the Statutory Auditors of the Company to hold the office for the period of 3 (three) years i.e. from the conclusion of this Annual General Meeting until the conclusion of the 65th Annual General Meeting of the Company to be held in the year 2022, subject to such orders that may be passed in the future by the Securities Appellate Tribunal or the Supreme Court of India, as to their eligibility to carry out statutory audit of listed companies, on a remuneration of ₹ 52,48,000/- (Rupees fifty two lakh forty eight thousand only) plus applicable taxes thereon for the financial year ending on 31 December 2019 and reimbursement of out of pocket and travelling expenses, with the authority given to the Board of Directors of the Company and based on the recommendation of the Audit Committee, to pay such increase in audit fees, as they may deem fit, and reimbursement of out of pocket and travelling expenses, as may be mutually agreed between the Board of Directors and the Statutory Auditors."

SPECIAL BUSINESS:

5. Re-appointment of Ajit Shah as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and such other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s), variation(s) or re-enactment thereof for the time being in force), **Ajit Shah (DIN: 02396765)**, an Independent Director of the Company, whose first term of office comes to an end at this Annual General Meeting, has submitted declarations that he is eligible for re-appointment and that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and further proposing himself as a candidate for the office of Director, based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors under Section 160 of the Act be and is hereby re-appointed as an Independent Director of the Company for a second consecutive term commencing from 26 April 2019 and ending on 10 October 2021, being the date when he attains the age of 75 years, not liable to retire by rotation.”

6. Appointment of Ravi Moti Kirpalani as an Independent Director of the Company

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as 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), **Ravi Moti Kirpalani (DIN: 02613688)**, 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 26 October 2018, and who holds office up to the date of this Annual General Meeting, has submitted declarations that he is eligible for appointment and that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and further proposing himself as a candidate for the office of Director, based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors under Section 160 of the Act be and is hereby appointed as an Independent Director of the Company for a term of 5 consecutive years commencing from 26 October 2018 and ending on 25 October 2023, not liable to retire by rotation.”

7. Appointment of Guy Franklin Young 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), **Guy Franklin Young (DIN: 08334721)**, 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 25 January 2019, and who holds office up to the date of this Annual General Meeting, has submitted a declaration that he is eligible for appointment and that he has given a notice in writing proposing himself as a candidate for the office of Director, based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors under Section 160 of the Act be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.”





8. Re-appointment of Sanjay Mathur as the Managing 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 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other rules framed thereunder read with Schedule V to the Companies Act, 2013 (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, and subject to such other approvals as may be required, consent and approval of the Members of the Company be and is hereby accorded to the re-appointment of **Sanjay Mathur (DIN: 00029858)** as the Managing Director of the Company for a further period of 3 (three) years, with effect from 1 April 2019 to 31 March 2022, whose term of office shall be liable to retirement by rotation, upon the terms and conditions including those relating to remuneration and perquisites more specifically set out in the explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to this Notice.”

“RESOLVED FURTHER THAT the Board of Directors / Nomination and Remuneration Committee of Directors of the Company be and are hereby authorised to alter, vary or modify the terms and conditions of the said re-appointment and/or remuneration from time to time, as they may deem fit, in consultation with Sanjay Mathur, subject to the same not exceeding the maximum remuneration payable to him, which includes basic salary, personal allowance and performance linked bonus to the amount of ₹ 4,00,00,000/- per annum, without any further approval of the Members of the Company in a General Meeting, payable in monthly arrears, but subject to income tax deduction at source, or limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013, including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof and to do all such acts, deeds, matters and things including execution of all such agreements, documents, instruments and writings as may be required in regard to the said re-appointment as it may in its sole and absolute discretion deem fit, to give effect to this Resolution.”

“RESOLVED FURTHER THAT where in any financial year during the existence of Sanjay Mathur’s tenure as the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites specified in Schedule V or any other applicable sections, if any, of the Companies Act, 2013 including adherence to any regulations, guidelines or instructions as may be promulgated or issued hereafter, without seeking further approval of the Members.”

9. Ratification of the remuneration payable to the Cost Auditor for the financial year ending on 31 December 2019

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration decided by the Board of Directors, based on the recommendation of the Audit Committee, be and is hereby ratified and confirmed for a sum of ₹ 4,00,000/- (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 2019.”

10. Adoption of the new Articles of Association

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

“RESOLVED THAT pursuant to Sections 5 and 14 and other applicable provisions, if any, of the Companies Act,



2013 (the "Act") read with the Companies (Incorporation) Rules, 2014 (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force), and subject to any approval(s) or permission(s) as may be required from relevant authorities and such modification(s) as may be prescribed by such authorities and which may be agreed to by the Board of Directors, the new set of draft articles contained in the Articles of Association of the Company, as published on the website of the Company and submitted to this Meeting, be and is hereby approved and adopted as the Articles of Association of the Company in the place and to the exclusion and substitution of the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors including the Chief Financial Officer and the Company Secretary be and are hereby severally authorised to take all such steps and actions for the purpose of making all such filing(s) and registration(s) as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient to give effect to this Resolution."

11. Approval of the Existing Material Related Party Contract and Material Related Party Transaction

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 Regulation 23(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)] (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force), and subject to such other approval(s), consent(s) or permission(s), as may be necessary, the Members of the Company hereby ratifies and approve the existing "material" related party contract, agreement or arrangement, by whatever name called, entered into by Foseco India Limited ("the Company" or "the Licensee") with Foseco International Limited ("the Licensor"), a related party, which is currently in force, whereby the Licensor has granted an exclusive use of its licence by the Licensee under the Industrial Property Rights to manufacture, have manufactured, promote, use and sell the products manufactured by the Licensee including all technical and commercial information, advice, data, knowledge, drawings, information, recipes and specifications relating to or useful in connection with the manufacture of the products, its use and sale including any new application, improvement, alteration or modification of or to the knowhow, and in consideration of the rights granted, the Licensee, who has paid in the past and shall pay or continue to pay in the future, to the Licensor, a royalty ("Royalty") in an amount of five percent (5%) of the Net Sales Value of each Product specified to be sold by the Licensee in India and eight percent (8%) of the Net Sales Value of each Product specified to be sold by the Licensee outside of India, excluding sales made to other related parties, up to an estimated transaction value not exceeding ₹ 3000 lakh (Rupees three thousand lakh only) per annum, which constitutes "material" transaction, as defined in Regulation 23(1A) of SEBI (LODR), the said royalty having been paid in the past and which shall continue to be paid in the future, in equivalent British Pounds Sterling (GBP) or in such other currency as the Licensor may from time to time request, till the existence of this contract, agreement or arrangement."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things including delegation of powers to the Officials of the Company 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: 25 January 2019



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NOTES:

1. The Explanatory Statement as required under Section 102 of the Companies Act, 2013 in respect of the special business is annexed to this Notice.
2. **A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING SHALL BE ENTITLED TO APPOINT ANOTHER PERSON AS HIS/HER PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. The instrument appointing proxy, in order to be effective, must be received by the Company at the Registered Office not later than 48 hours before the commencement of the Meeting. Members / Proxies are requested to sign the attendance slip annexed to the proxy form and hand it over at the gate of the venue of the Meeting.
4. Pursuant to the provisions of Section 105 of the Companies Act, 2013 and Rule 19(2) of the Companies (Management & Administration) Rules, 2014, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such proxy shall not act as a proxy for any other person or Member.
5. Corporate Members are requested to send a Board Resolution duly certified, authorising their representative to attend and vote on their behalf at the Annual General Meeting.
6. The proxy form should be signed by the appointer or his/her attorney duly authorised in writing.
7. 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.
8. A route map showing direction to reach the venue of the Annual General Meeting is provided at the end of this Notice.
9. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, 19 April 2019 to Friday, 26 April 2019 (both days inclusive)** in terms of the provision of Section 91 of the Companies Act, 2013, for determining the entitlement of the members to the payment of final dividend, if declared at the Meeting.
10. The final dividend, if declared at the AGM, shall be paid/credited on or before **Saturday, 25 May 2019** as under, to those Members of the Company:
 - i) whose names appear in the Company's Register of Members in respect of shares held in physical form, after giving effect to all valid share transfers lodged with the Company on or before the close of business hours on **Friday, 19 April 2019**; and
 - ii) whose names appear as beneficial owners in respect of shares held in demat form, as per the details furnished for this purpose by the National Securities Depository Limited and the Central Depository Services (India) Limited, as of the close of business hours on **Friday, 19 April 2019**.
11. **UPDATING NECESSARY KYC DETAILS OF REGISTERED AND/OR JOINT HOLDERS HOLDING SHARES IN PHYSICAL FORM:** SEBI has vide Circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20 April 2018, directed all the listed companies to record the Income Tax PAN, bank account details of all their shareholders holding shares in physical form and advise them to dematerialise their physical securities. Accordingly, the Company has sent letters by registered post to the shareholders holding shares in physical form at their last known address, advising them to register their Income Tax PAN (including that of joint holders, if any) and the bank account details. This was followed by two reminder letters to those shareholders who have not responded earlier. All those shareholders who are yet to update their 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.

12. **TRANSFER OF SHARES IN DEMATERIALIZED FORM ONLY:** SEBI has vide notification SEBI/LAD-NRO/GN/2018/24 dated 8 June, 2018 has stated that requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed after 5 December 2018 by any listed company, unless the securities are held in the dematerialized form with the depositories. Vide notification dated 30 November 2018, the date was further extended to 1 April 2019. The Members are requested to dematerialize their physical securities by 31 March 2019.
13. 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.
14. **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 account, will be transferred by the Company to the Investors Education and Protection Fund 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 to check the details of their unclaimed dividend under the Investors' Section.
15. **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. 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**.
16. In line with the Green Initiative of the Ministry of Corporate Affairs, this Annual Report is being sent by electronic mode to those Members whose E-mail addresses are registered with the Company / Depository Participant(s), unless a Member has requested for a physical copy of the same. For Members who have not registered their E-mail addresses, physical copies of the Annual Report are being sent by the permitted mode. However, any Member who wish to have a physical copy of the Annual Report may write to the Company's Registrar at pune@linkintime.co.in.
17. To ensure that Members' queries are answered in full, members are requested to write to the Company at an early date at the e-mail ID – investor.grievance@vesuvius.com.
18. The Notice of the AGM, the Annual Report and all the documents referred to in the explanatory statements shall remain open for inspection at the Registered Office of the Company on all working days between 1000 Hours (IST) to 1300 Hours (IST) excluding Saturdays, Sundays and public holidays up to the date of the AGM. The Notice of the AGM and the Annual Report will be made available on the Company's website www.fosecointia.com.



19. Voting through electronic means:

- 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 pleased to provide 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 **Tuesday, 23 April 2019 at 1000 Hours (IST)** and ends on **Thursday, 25 April 2019 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 **Friday, 19 April 2019** 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 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.
- (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 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:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digits’ alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendance Slip indicated in the PAN Field.
Dividend Bank Details OR 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. 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).

- (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 AppleStore and the Windows Phone Store respectively. Follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non-Individual Shareholders and Custodians**
 - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA), duly signed and executed in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutiniser to verify the same.
- (xx) In case Members have any queries or issues regarding e-voting, they may refer to the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

- II. The facility for voting, either through electronic voting system or polling paper 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.
- 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.

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- IV. The voting rights of the Members shall be in proportion to their shares of the paid-up Equity Share Capital of the Company as on the cut-off date of **Friday, 19 April 2019**. 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 or umesh.sharma@linkintime.co.in or to the Company at investor.grievance@vesuvius.com. 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, Practising Company Secretary (Membership No. FCS 7441, CP No. 6581), as the Scrutiniser, to scrutinize 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 ballot paper 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 AGM, 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.fosecointia.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

Price Waterhouse Chartered Accountants LLP (Firm registration no. - 012754N / N500016), Chartered Accountants, were appointed as the Statutory Auditors of the Company at the 60th Annual General Meeting of the Company held on 27 April 2017, for a period of 5 years, to hold office from the conclusion of the 60th Annual General Meeting until the conclusion of the 65th Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting. Their appointment was ratified at the 61st Annual General Meeting held on 24 April 2018 for a period of one year till the conclusion of the 62nd Annual General Meeting.

The Companies (Amendment) Act, 2017, has amended Section 139(1) of the Companies Act, 2013, effective from 7 May 2018, whereby first proviso to Section 139(1) is omitted which provided for ratification of appointment of the Statutory Auditors by the Members at every Annual General Meeting.

In view of the aforesaid amendment and the ratification obtained at the 61st Annual General Meeting held on 24 April 2018, which is valid till the conclusion of the 62nd Annual General Meeting, fresh approval of the Members is sought for



ratification of appointment of Price Waterhouse Chartered Accountants LLP, as the Statutory Auditors of the Company, for the remaining term of 3 (three) years i.e., from the conclusion of this Annual General Meeting till the conclusion of the 65th Annual General Meeting to be held in the year 2022, as recommended by the Audit Committee and proposed by the Board of Directors 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. However, Applicants / Appellants were allowed to complete their ongoing tasks till 31 March 2018.

Later, the Securities Appellate Tribunal of India ("the SAT") passed an order on 15 February 2018, allowing PwC to continue with conducting audit of its existing clients till 31 March 2019 or till a Division Bench hears and decides the matter. Against the said order, PwC went in to appeal to the Hon'ble Supreme Court of India. The Hon'ble Supreme Court thereafter, vide their order dated 7 December 2018, inter alia held that, the interim order of the SAT should continue to operate until 31 March 2019 or until the Tribunal as properly constituted decides the appeal. Subsequently, the PwC have obtained an opinion from an Eminent Jurist who has opined that PwC can continue to act as the Statutory Auditors of their existing clients even beyond 31 March 2019, if the appeal filed by PwC to the SAT continues to remain pending till it is heard and disposed of.

In light of the above opinion, your Company therefore proposes the ratification of the appointment of PwC as the Statutory Auditors of the Company for the remaining term of 3 (three) years i.e., from the conclusion of this Annual General Meeting till the conclusion of the 65th Annual General Meeting to be held in the year 2022.

As mandated by Regulation 36(5) of the SEBI (LODR) Regulations, the Board of Directors of the Company on the recommendation of the Audit Committee, propose to pay Price Waterhouse Chartered Accountants LLP, a remuneration of ₹ 52,48,000/- (Rupees fifty two lakh forty eight thousand only) plus applicable taxes thereon for the financial year ending on 31 December 2019, which if thought fit, by the Audit Committee and recommended to the Board for approval, will be paid increased audit fees, till the conclusion of their present term at the 65th Annual General Meeting to be held in the year 2022, plus reimbursement of actual out of pocket and travelling expenses, as may be mutually decided by the Board of Directors of the Company and the Statutory Auditors.

Accordingly, the Board recommends the **Ordinary Resolution** for approval of the Members of the Company, as laid down in Ordinary Business Item no. 4.

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

Item No. 5

Ajit Shah was originally appointed as an Independent Director on the Board of the Company on 17 October 2013. Later, at the 58th Annual General Meeting of the Company (AGM) held on 27 March 2015, Ajit Shah was re-appointed as an Independent Director of the Company for a term commencing from 27 March 2015 and ending on the date of the AGM to be held in the year 2019.

The Nomination and Remuneration Committee (NRC) of the Board of Directors at its Meeting held on 24 January 2019, after receiving feedback from the Independent Directors who have evaluated the performance of Ajit Shah in his absence, in their Meeting held on the same date as above, unanimously recommended to the Board of Directors, the appointment of Ajit Shah (DIN: 02396765) for a second consecutive term commencing from the 62nd AGM to be held on 26 April 2019 till 10 October 2021, being the date when he attains the age of 75 years. Subsequently, the Board of Directors of the Company



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at its Meeting held on 25 January 2019, in the absence of Ajit Shah, evaluated his performance and have determined to continue with the appointment of Ajit Shah as an Independent Director for the second consecutive term as above, subject to the approval of the Members. In the opinion of the Board, Ajit Shah fulfils the conditions specified in the Act and the rules framed thereunder for appointment as Independent Director and that he is Independent of the Management. The Board also considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as Independent Director on the Board of the Company, not liable to retire by rotation.

The Company has received declarations from Ajit Shah, stating that he is eligible for re-appointment and that he 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 he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. He has given his consent to act as a Director of the Company.

A copy of the draft letter of re-appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays, Sundays and public holidays.

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

In terms of the proviso to Section 160(1) of the Act, the Board recommends the Resolution set out in Item Nos. 5 of the Notice for the approval by the Members of the Company as a **Special Resolution**.

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

Item No. 6

The Nomination and Remuneration Committee (NRC) of the Board of Directors at its Meeting held on 26 October 2018, recommended the appointment of Ravi Moti Kirpalani (DIN: 02613688), as a Non-Executive Independent Director to the Board of the Company for a period of five years with effect from 26 October 2018. The NRC also recommended to the Board of Directors, his appointment as a Chairperson of the Board.

Subsequently, the Board of Directors of the Company at its Meeting held on 26 October 2018, appointed Ravi Moti Kirpalani as an Additional Independent Director for a term of 5 consecutive years with effect from 26 October 2018, subject to the approval of the Members. The Board also appointed him as a Chairperson.

As Ravi Moti Kirpalani had joined as a Director on 26 October 2018 and has not chaired any of the Meeting of the Company held in the financial year ended 31 December 2018, the Independent Directors in their separate meeting held on 24 January 2019 unanimously decided not to evaluate his performance for this year 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, Ravi Moti Kirpalani's appointment for a term of 5 consecutive years commencing from 26 October 2018 to 25 October 2023. Subsequently, the Board of Directors of the Company at its Meeting held on 25 January 2019, in the absence of Ravi Moti Kirpalani, taking cognisance of the feedback received from the Independent Directors as above, determined to continue with the appointment of Ravi Moti Kirpalani as an Independent Director, subject to the approval of the Members. In the opinion of the Board, Ravi Moti Kirpalani fulfils the conditions specified in the Act and the rules framed thereunder for appointment as Independent Director and that he is Independent of the Management. The Board also considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as Independent Director on the Board of the Company, not liable to retire by rotation.

The Company has received declarations from Ravi Moti Kirpalani, stating that he is eligible for appointment and that he 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 he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. He has given his 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, he holds office as an Additional Director up to the date of the ensuing Annual General Meeting and being eligible, offers himself for appointment as a Director. Accordingly, his appointment is now being placed before the Members for their approval for five consecutive years commencing from 26 October 2018 and ending on 25 October 2023.

A copy of the draft letter of appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays, Sundays and public holidays.

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

In terms of the proviso to Section 160(1) of the Act, the Board recommends the Resolution set out in Item Nos. 6 of the Notice for the approval by the Members of the Company as an **Ordinary Resolution**.

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

Item No. 7

The Nomination and Remuneration Committee (NRC) of the Board of Directors at its Meeting held on 24 January 2019, recommended the appointment of Guy Franklin Young (DIN: 08334721), as a Non-Executive Non-Independent Director to the Board of the Company. He was nominated as a Director on the Board of the Company by Foseco Overseas Limited, the Holding Company.

Subsequently, the Board of Directors of the Company at its Meeting held on 25 January 2019, appointed Guy Franklin Young as an Additional Director with effect from 25 January 2019.

Mr. Young, aged 49 years is a British and South African citizen. He 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 Chief Financial Officer of Tarmac and latterly Lafarge Tarmac, the British building materials company, from January 2011 to October 2015. He 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 is 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 does not hold Directorship in any other Public Limited Listed Company in India except Foseco India Limited. He is a Member of the Audit Committee of the Board of the Company. He has submitted a declaration that he is not disqualified from being appointed as a Director as provided in Section 152(5) of the Act and that he is eligible for appointment. He has given his consent to act as a Director of the Company.

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

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

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

Accordingly, the Board recommends the Resolution set out in Item No. 7 of the Notice for the approval by the Members of the Company as an **Ordinary Resolution**.

Save and except, Guy Franklin Young, none of the Directors, Manager or any other key managerial personnel or any of





their relatives, are concerned or interested, whether financially or otherwise, in this Resolution.

Item No. 8

The Members of the Company had vide Resolution passed at the 59th Annual General Meeting (AGM) held on Tuesday, 26 April 2016, approved the re-appointment of Sanjay Mathur as the Managing Director of the Company for a period of three years beginning on 1 April 2016 and ending on 31 March 2019.

Pursuant to the recommendation of the Nomination and Remuneration Committee of Directors, the Board of Directors of the Company at its Meeting held on 25 January 2019, after considering the significant contribution made by him to the growth and development of the Company, unanimously approved the re-appointment of Sanjay Mathur as the Managing Director of the Company for a period of three years, with effect from 1 April 2019 to 31 March 2022, liable to retire by rotation and subject to the approval of the Members.

The main terms and conditions of the re-appointment of Sanjay Mathur as the Managing Director of the Company including his remuneration, more particularly as set out in the letter of appointment issued to Sanjay Mathur are as follows:

- I. SALARY: ₹ 1,30,40,400/- (Rupees One crore thirty lakh forty thousand four hundred only) per annum. The Board is authorised to determine the salary and grant such increases in salary and/or allowances by whatever name called from time-to-time on the recommendation of the Nomination and Remuneration Committee. The salary will be subject to deduction of tax at source.
- II. The maximum remuneration payable to Sanjay Mathur will include basic salary, personal allowance and performance linked bonus and will be ₹ 4,00,00,000/- (Rupees four crore only) per annum, without any further approval of the Company in a General Meeting, payable in monthly arrear.
- III. Performance Bonus: Eligibility for performance linked bonus will be as per the rules of the Company applicable to the Managing Director.
- IV. Perquisites:
 - a) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed in accordance with the Company Policy.
 - b) Personal Accident Insurance and Family Health Insurance: As per the rules of the Company.
- V. Retirement Benefits:
 - a) Contribution to Provident Fund and Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - b) Gratuity will be paid as per the Rules of the Company.
 - c) Encashment of leave.
 - d) Retirement and other benefits will be as per the Rules of the Company.

Notwithstanding anything mentioned herein, where in any financial year during the existence of his tenure as the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as stated in Schedule V or other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any regulations, guidelines or instructions as may be promulgated or issued hereafter.

He will not be entitled to any sitting fees for attending the Meeting of the Board or its Committees thereof.

The contract can be terminated by giving six months' notice by either party.

Under the terms of the Company's Insider Trading Policy, Sanjay Mathur will be covered under the Code and will be treated as an insider and a Connected person.

Sanjay Mathur has confirmed that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.



A written memorandum setting out the terms of the re-appointment of Sanjay Mathur as a Managing Director of the Company including the remuneration payable to him will be available for inspection without any fee by any Member at the Registered Office of the Company during normal business hours on any working day excluding Saturdays, Sundays and public holidays.

The Board of Directors accordingly recommends passing of the **Ordinary Resolution** as set out in Item no. 8 of this Notice, for the approval of the Members.

None of the Directors, Manager or any other key managerial personnel or any of their relatives, other than Sanjay Mathur, in his capacity of being the Managing Director is concerned or interested, whether financially or otherwise, in this Resolution.

Item No. 9

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 2019, at a remuneration of ₹ 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. 9 of the Notice for the approval by the Members of the Company as an **Ordinary Resolution**.

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

Item No. 10

Pursuant to Section 14 of the Companies Act, 2013 ("the Act") the Company can alter its Articles of Association (AOA) by way of a Special Resolution. The existing AOA are based on the Companies Act, 1956. With the implementation of the Act and other statutory revisions, the existing AOA requires alteration of several articles. Since the changes required to align the existing AOA with the Act are numerous, the Board has considered it expedient to replace the existing AOA with a new set of AOA.

Key changes proposed in the new AOA are as follows:

- The AOA have been restructured and aligned with the provisions of the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India.
- Reference to the sections, sub-sections, clauses etc. of the Companies Act, 1956 have been substituted with the provisions of the Act.
- New provisions relating to independent directors, electronic voting, postal ballot, board meeting through audio visual means, appointment of Chief Executive Officer, Chief Financial Officer etc. have been incorporated.
- Provisions of the Act, which permit the Company to do certain acts when authorised by AOA, or, which require the Company to do acts in a prescribed manner unless the AOA otherwise provide, have been specifically included.
- Few provisions such as issue of shares at discount, which have become redundant due to change in the law have been deleted.

Copy of the proposed AOA is uploaded on the website of the Company at www.fosecointia.com under the Investor Information section and is available for inspection without any fee by Members at the Registered Office of the Company during normal business hours on any working days excluding Saturdays, Sundays and public holidays.

The Board recommends the Resolution at Item no. 10 for approval of the Members as a **Special Resolution**.

None of the Directors, or any key managerial personnel or any of their relatives, are concerned or interested, whether financially or otherwise, in this Resolution, except to the extent of their shareholding in the Company.





Item no. 11

As per the new Regulation 23(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)], as amended from time to time, which comes into effect from 1 April 2019, a transaction involving payment made by Foseco India Limited ("the Company" or "the Licensee") to a related party, which in this case is Foseco International Limited, (Company No. 468147) having its Registered Office at 1 Midland Way, Central Park, Barlborough Links, Derbyshire, United Kingdom, S43 4XA ("the Licensor"), 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 transaction of the Company, as per the last audited financial statement of the Company.

The Company has paid in the past and shall pay or continue to pay in the future, to the Licensor, a royalty ("Royalty") in an amount of five percent (5%) of the Net Sales Value of each Product specified to be sold by the Licensee in India and eight percent (8%) of the Net Sales Value of each Product specified to be sold by the Licensee outside of India, excluding sales made to related parties, up to an estimated transaction value not exceeding ₹ 3000 lakh (Rupees three thousand lakh only) per annum, in equivalent British Pounds Sterling (GBP) or in such other currency as the Licensor may from time to time request, till the existence of the contract, agreement or arrangement.

In accordance with Regulation 23(8), all existing "material" related party contract, agreement or arrangement, by whatever name called, entered into prior to the date of notification of these Regulations and which may continue beyond such date shall be placed for approval of the Members in the first General Meeting subsequent to notification of these Regulations.

With the coming into effect of Regulation 23(1A) of SEBI (LODR) from 1 April 2019, that was inserted vide SEBI Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9 May 2018, the transaction(s) involving payment of royalty by the Licensee to the Licensor, shall be considered material. Thus, Regulation 23(8) becomes applicable to the Company and in this regard the existing Licence Agreement which is currently in force, will be considered material with effect from 1 April 2019, requiring the Company to place the Licence Agreement for approval by the Members at this Annual General Meeting.

As contained in the Memorandum of Association of the Company, the main object, among several other objects, for which the Company was established are:

- i) To carry on the business of manufacture of and distribution of or dealers in Chemical preparations and Metallurgical Process for use in foundries and in the treatment of metals.
- ii) To enter into contracts, agreements, and arrangements with any other company, for the carrying out by such other company on behalf of the Company of any of the objects for which the Company is formed or for the furtherance of those objects.
- iii) To apply for, or join in applying for, purchase or by other means acquire and protect, prolong and renew, any patents, patent rights (*brevets d'invention*) licenses, protection and concessions which may appear likely to be advantageous or useful to the Company, and to use and turn to account and to manufacture under or grant licenses or privileges in respect of the same, and to expend money in experimenting and testing and making researches, and in improving or seeking to improve any patents, invention or rights which the company may acquire or propose to acquire.

The Licensor has long been engaged in the research and development, manufacture and sale of certain products and processes useful in the metallurgical industries and possesses valuable commercial and technical know-how and is the owner of and/or has acquired rights to certain industrial property rights relating thereto; and for which the Licensee has requested the Licensor to grant it the right to use in order to manufacture and sell the Products for the furtherance of the above objects, for which the Company was incorporated.

Since last several years, your Company had been availing the services of the Licensor deriving immense benefit in the use of industrial property rights made available by the Licensor, in order that the Licensee may manufacture and sell certain products. Your Company believes that its association with the Licensor should continue in the future.

The Company hereby confirms that these transactions are categorised as Related Party Transactions, which are entered into the ordinary course of business and consequently are at arm's length price. The rate of royalty and the price paid towards royalty are reasonable. The Company has in the past been obtaining the Consultants' Study Report every year on the Transfer Pricing under the Income Tax Act, 1961 for determination of arm's length pricing. The Consultants' have justified the subject payments stating that they are in the ordinary course of business and comply with arm's length pricing principle. All transactions with the related Party(ies) are reviewed by the Audit Committee and also the Board of Directors, every quarter.

As mandated by Regulation 23(4) and 23(7), none of the Related Party(ies) as laid down in Note 30 to the Financial Statement for the year ended 31 December 2018, shall vote to approve this Resolution, irrespective of whether the entity is a Related Party to this particular transaction or not.

As the Related Party Transactions are in the ordinary course of business and at arm's length basis, approval under Section 188 of the Companies Act 2013 is not required.

The Board recommends the Resolution at Item no. 11 for approval of the Members as an **Ordinary Resolution** of both the existing Licence Agreement as-well-as the transactions held with the Licensor which are considered "material".

An authenticated copy of the above referred License Agreement will be made available for inspection by the Members of the Company during business hours on all working days up to the date of the Annual General Meeting.

Mr. Glenn Allan Cowie and Mr. Guy Franklin Young, Directors, being nominees of Foseco Overseas Limited, a related party, are interested in this Resolution. Except them, none of the other Directors, or any key managerial personnel or any of their relatives, are concerned or interested, whether financially or otherwise, in this Resolution, except to the extent of their shareholding, if any, in the Company.

Registered Office:

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

Date: 25 January 2019

By Order of the Board of Directors

Mahendra Kumar Dutia

Controller of Accounts & Company Secretary

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

Particulars	Glenn Allan Cowie	Sanjay Mathur
Date of Birth	28 April 1961	5 November 1964
Date of Appointment	24 April 2015	1 April 2007
Qualifications	Diploma Engineer in Metallurgical Engineering	- Bachelor of Engineering (Chemical) from Punjab University, Chandigarh - Advanced Management Programme from Melbourne Business School - Master of Marketing from Monash University, Australia - Diploma in Financial Management (Dip FM) from ACCA, U.K.
Expertise in specific functional areas	Delivered significant change in business structure and performance in Advanced Refractories for three years. Held several technical and sales positions in both the Foundry and Steel Divisions, before becoming the Chief Executive Sub Saharan Africa. Played a role in an international Strategic Growth Initiative	Worked with J.K. Synthetics Ltd, Bharat Petroleum Corporation Ltd. and the Shell Group. Supply Chain & Industrial Sales Manager and General Manager (acting) of a Shell JV in the Middle East Managing Director of Pennzoil-Quaker State India Limited (Pennzoil), Mumbai



Particulars	Glenn Allan Cowie	Sanjay Mathur
Directorship held in all Public Limited Listed Companies	Foseco India Limited	Foseco India Limited
Membership of the Committees in all the Public Limited Listed Companies (only Audit Committee and Stakeholders' Relationship Committee are considered) where he is a Director	NIL	Stakeholders' Relationship Committee Foseco India Limited
Number of Shares held in the Company	Nil	Nil
Relationship with any of the existing Director(s) of the Company	No	No

Particulars	Ajit Shah	Ravi Moti Kirpalani
Date of Birth	11 October 1946	11 November 1958
Date of Appointment	17 October 2013	26 October 2018
Qualifications	- Fellow Member of the Institute of Chartered Accountants of India - Senior Partner at M. A. Parikh & Co., a firm of Chartered Accountants at Mumbai	- Studied Economics at the St. Stephen's College, New Delhi - Degree in Bachelor of Arts (Honours Course) from the University of Delhi - Post-Graduate Diploma in Management from the Indian Institute of Management, Calcutta
Expertise in specific functional areas	Specialising in the fields of Audits and Assurances, domestic and international transfer pricing, valuation and consultancy in the field of finance and taxation. Associated as a consultant with well-known multinational groups like Merck, Germany, WPP Group, UK, Pacific International Lines, Singapore, Mitsui OSK Lines, Japan and certain Tata group Companies;	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. Worked for over 16 years with Castrol / BP in India and in UK. Earlier, he was the Managing Director of Castrol India Limited. Brings over 35 years of experience in sales, marketing and strategy development.
Directorship held in all Public Limited Listed Companies	- Foseco India Limited - Sunshield Chemicals Limited	Foseco India Limited
Membership of the Committees in all the Public Limited Listed Companies (only Audit Committee and Stakeholders' Relationship Committee are considered) where he is a Director	Audit Committee - Foseco India Limited - Sunshield Chemicals Limited Stakeholders' Relationship Committee - Foseco India Limited	Audit Committee - Foseco India Limited Stakeholders' Relationship Committee - Foseco India Limited
Number of Shares held in the Company	Nil	Nil
Relationship with any of the existing Director(s) of the Company	No	No

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	Foseco India Limited
Membership of the Committees in all the Public Limited Listed Companies (only Audit Committee and Stakeholders' Relationship Committee are considered) where he is a Director	Audit Committee Foseco India Limited
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 62nd Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31 December 2018.

Financial Highlights

(All Figures in ₹ Lakhs)

Particulars	Accounting year ended 31-Dec-2018	Accounting year ended 31-Dec-2017
Total Revenue from Operations	36,215.58	37,868.79
Operating Expenses	(30,733.55)	(32,482.36)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	5,482.03	5,386.43
Finance Cost	(20.87)	(35.26)
Depreciation and amortisation expense	(453.90)	(534.13)
Profit Before Tax (PBT)	5,007.26	4,817.04
Total Tax Expense	(1,803.61)	(1,659.63)
Profit for the Period (PAT)	3,203.65	3,157.41
Other Comprehensive Income, net of tax	(81.00)	(25.50)
Total Comprehensive Income for the Year	3,122.65	3,131.91
Balance brought forward from previous year	8,341.41	7,060.01
Amount available for appropriation	11,464.06	10,191.92
Appropriations:		
Interim Dividends	957.97	830.24
Final Dividend (Proposed)	766.38	447.05
Tax on Dividends (Interim and Final)	352.93	260.03
Transferred to General Reserves	--	313.19
Total Retained Earnings	9,386.78	8,341.41

Indian Accounting Standards (Ind-AS)

The Ministry of Corporate Affairs (MCA) had notified the Indian Accounting Standards (Ind-AS) applicable to certain classes of companies. Ind-AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Upon being applicable, the Company has adopted Ind-AS from 1 January 2018 and accordingly, the transition has been carried out, from the Accounting Principles generally accepted in India as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (previous GAAP) to Ind-AS 101 "First time adoption of Indian Accounting Standards". The impact of transition has been recorded in opening reserves as at 1 January 2017 and the periods presented have been restated / reclassified.

The reconciliation and descriptions of the effect of the transition from Indian GAAP to Ind-AS have been provided in the notes forming part of separate financial statements.

Financial Year of the Company

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

Transfer to Reserves

In accordance with Ind-AS, the earnings for the year will be retained in the Statement of Profit and Loss. For the year 2018, no amount will be transferred to the General Reserves as was done in the earlier years. In the previous year, an amount of ₹ 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	18 July 2018	28 July 2018	70	₹ 7
2nd Interim Dividend	26 October 2018	10 November 2018	80	₹ 8

Your Directors are pleased to recommend for approval of the Members, a Final Dividend of ₹ 10/- per share (i.e., 100%), on an Equity Share of ₹ 10/- each, for the financial year ended 31 December 2018, taking the total dividend to ₹ 25/- per share (i.e., 250%) (previous year ₹ 25 per share i.e., 250%).

The total pay-out of the two Interim Dividends for the financial year ended 31 December 2018 and Final Dividend for the financial year ended 31 December 2017, inclusive of dividend distribution tax, aggregated to ₹ 2077.28 Lakhs as compared to ₹ 1537.32 Lakhs in the previous period.

Report on Corporate Governance & Management Discussion & Analysis

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 is 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, at the financial year ended 31 December 2018, is given in **Annexure A**, which forms part of this Board Report.

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 propose 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 will make an application for delisting from the BSE Limited. 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.

Amendment to the Articles of Association

The Board of Directors proposes to amend the Articles of Association of the Company (AOA) to bring it in line with the Companies Act 2013, as amended from time to time. No changes are proposed to be made to the Memorandum of the



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Association of the Company. In this regard, a Special Resolution for effecting amendment to the AOA is carried in the Notice of the Annual General Meeting.

Number of Meetings of the Board

The Board of Directors met four times during the year 2018 on the following dates: 1 February 2018, 23 April 2018, 18 July 2018 and 26 October 2018. 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

Mr. Pradeep Mallick, Independent Director and Chairperson of the Company retired with effect from 25 April 2018, as he has attained the age of 75 years. Ms. Merryl France Durrenbach, a Non-Executive and Non-Independent Director, resigned with effect from 26 October 2018, from the Directorship of the Company due to a change in her role and responsibilities. Accordingly, her nomination was withdrawn by the Holding Company, Foseco Overseas Limited. 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. Glenn Allan Cowie (DIN: 07163534)**, a Non-Executive and Non-Independent Director on the Board of the Company, who is a nominee of the Promoter Company – Foseco Overseas Limited, retires by rotation at the ensuing Annual General Meeting and being eligible, offers 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.

The Board of Directors at its Meeting held on 26 October 2018, based on the recommendation of the Nomination and Remuneration Committee, has appointed **Mr. Ravi Moti Kirpalani (DIN: 02613688)** as an Additional Independent Director for a period of 5 years with effect from 26 October 2018 to 25 October 2023, subject to the approval of the Members of the Company at the ensuing Annual General Meeting. He has also been appointed the Chairperson of the Company.

The Board of Directors at its Meeting held on 25 January 2019, based on the recommendation of the Nomination and Remuneration Committee, has appointed **Mr. Guy Franklin Young (DIN: 08334721)** as an Additional Director of the Company with effect from 25 January 2019, subject to the approval of the Members of the Company at the ensuing Annual General Meeting. Mr. Guy Franklin Young 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 Mr. Ravi Moti Kirpalani and Mr. Guy Franklin Young are not debarred from holding the Office of Director by virtue of any order passed by SEBI or any other such authority and are therefore not disqualified to be appointed as the Directors.

Pursuant to the provisions of Section 149 of the Companies Act 2013, **Mr. Ajit Shah (DIN: 02396765)**, was appointed as Independent Director at the Annual General Meeting of the Company held on 27 March 2015. The terms and conditions of his appointment is as per Schedule IV of the Act. Mr. Ajit Shah is seeking re-appointment for a second consecutive term commencing from 26 April 2019 to 10 October 2021, being the date when he attains the age of 75 years.

The Company has received declarations from both the Independent Directors that they meet 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 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

Mr. Sanjay Mathur (DIN: 00029858) was re-appointed as Managing Director of the Company for a period of three years from 1 April 2016 to 31 March 2019 at the Annual General Meeting of the Company held on 26 April 2016. The Board of Directors at its Meeting held on 25 January 2019 has re-appointed him as the Managing Director and Chief Executive Officer of the Company for a further period of 3 (three) years from 1 April 2019 to 31 March 2022 and have also fixed a ceiling on his remuneration on the recommendation of the Nomination and Remuneration Committee. The Board recommends his re-appointment and fixation of his remuneration to the Members of the Company.

All the above appointments / re-appointments form part of the Notice of the Annual General Meeting and the Resolutions



are recommended for your approval. Profiles of these Directors, are given in the Report on Corporate Governance.

During the year, no Non-Executive Director except 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 2018.

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 Mrs. Indira Parikh, 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 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.
- 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.

Particulars of Contracts or Arrangements with Related Parties

All contracts / arrangements / transactions entered into by the Company during the financial year ended 31 December 2018 with related parties were on an arm's length basis and were in the ordinary course of business. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material, 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.

A new Regulation 23 (1A) inserted in the SEBI (LODR) vide SEBI Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9 May 2018,, which takes effect from 1 April 2019, lays 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.

Your Company makes payment of royalty to Foseco International Limited, a group company falling within the definition of a related party. The amount exceeds 2% of the annual consolidated turnover of the Company as per the audited financial statements of the Company for the year ended 31 December 2018, and hence it is considered material. Therefore, the royalty already paid or that will be paid to Foseco International Limited, during the year ending on 31 December 2019 and which shall continue to be paid in the future, till the existence of this contract, agreement or arrangement, is placed for approval of the Members at the ensuing Annual General Meeting.

In accordance with Regulation 23(8), all existing "material" related party contract, agreement or arrangement, by whatever name called, entered into prior to the date of notification of these Regulations and which may continue beyond such date shall be placed for approval of the Members in the first General Meeting subsequent to notification of these Regulations. Regulation 23(8) becomes applicable to the Company and in this regard the existing Licence Agreement which is currently in force, will be considered material with effect from 1 April 2019, requiring the Company to place the said Licence Agreement for approval by the Members at the ensuing Annual General Meeting.

The Board of Directors have amended the Policy on Related Party Transactions to bring it in line with the amendment carried out in the Companies Act 2013 and the Rules made thereunder and the SEBI (LODR). 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: FosecoIndia/View/policies.aspx**. Your Directors draw attention of the Members to Note 30 attached to the financial statement which sets out related party disclosures.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

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

Particulars of Employees and Related Disclosures

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

Auditors and Auditors' Report

Statutory Auditors

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 were appointed as the Statutory Auditors in the 60th Annual General Meeting held on 27 April 2017, by the Members of the Company, to hold office as the Statutory Auditors of the Company, for a period of 5 years until the conclusion of the 65th Annual General Meeting to be held in the year 2022 and the said appointment was subject to ratification by members at every Annual General Meeting.

The Companies (Amendment) Act, 2017, has amended Section 139(1) of the Companies Act, 2013 effective from 7 May 2018, whereby first proviso to Section 139(1) is omitted which provided for ratification of appointment of Statutory Auditors by the Members at every Annual General Meeting.

In view of the same, the Board of Directors have proposed to ratify the appointment of Price Waterhouse Chartered Accountants LLP, as Auditors of the Company, for the period of three years i.e. from the conclusion of the 62nd Annual General Meeting to be held on 26 April 2019 till the conclusion of the 65th Annual General Meeting to be held in 2022.

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



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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. However, Applicants / Appellants were allowed to complete their ongoing tasks till 31 March 2018.

Later, the Securities Appellate Tribunal of India ("the SAT") passed an order on 15 February 2018, allowing PwC to continue with conducting audit of its existing clients till 31 March 2019 or till a Division Bench hears and decides the matter. Against the said order, PwC went in to appeal to the Hon'ble Supreme Court of India. The Hon'ble Supreme Court thereafter, vide their order dated 7 December 2018, inter alia held that, the interim order of the SAT should continue to operate until 31 March 2019 or until the Tribunal as properly constituted decides the appeal. Subsequently, the PwC have obtained an opinion from an Eminent Jurist who has opined that PwC can continue to act as the Statutory Auditors of their existing clients even beyond 31 March 2019, if the appeal filed by PwC to the SAT continues to remain pending till it is heard and disposed of.

The Directors recommend ratification of appointment of Auditors from the conclusion to the ensuing Annual General Meeting till the conclusion of the 65th Annual General Meeting to be held in 2022.

The observations of the Statutory Auditors on the annual financial statement for the year ended 31 December 2018 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 2017 has already been filed with the Ministry of Corporate Affairs.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, Rajesh Karunakaran & Co., Practicing Company Secretary (FCS 7441; CP No. 6581), Pune, was appointed to conduct a secretarial audit of the Company's Secretarial and related records for the year ended 31 December 2018. The Practicing Company Secretary has submitted the Report which is annexed as **Annexure D** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Significant and Material Orders passed by the Regulators or Courts

There are no significant and material orders passed by the 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**.



Policies of the Company

Your Company has posted the following documents on its website at **URL: 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 2018, 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 E** 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**.

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: 25 January 2019



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Annexure A

EXTRACT OF ANNUAL RETURN

as at the financial year ended 31 December 2018

[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 : Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur, Pune - 412208
and contact details : Phone : +91 2137 668100
- vi) Whether Listed Company : Yes
- vii) Name, Address and contact details : Link Intime India Pvt. Ltd.
of Registrar and Transfer Agent : 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 01-01-2018				Number of Shares held at the end of the year - As on 31-12-2018				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
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	
Sub-total (A) (1) :	0	0	0	0	0	0	0	0	0
(2) Foreign									
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	
Sub-total (A) (2) :	4788845	0	4788845	74.98	4788845	0	4788845	74.98	0.00
Total Shareholding of Promoter (A)									
(A) = (A)(1) + (A)(2)	4788845	0	4788845	74.98	4788845	0	4788845	74.98	0.00

Category of Shareholders	Number of Shares held at the beginning of the year - As on 01-01-2018				Number of Shares held at the end of the year - As on 31-12-2018				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds				0.00				0.00	0.00
b) Banks / Financial Institutions	188	200	388	0.01	290	200	490	0.01	0.00
c) Central Government(s)				0.00				0.00	0.00
d) State Government(s)				0.00				0.00	
e) Venture Capital Funds				0.00				0.00	
f) Insurance Companies				0.00				0.00	
g) Foreign Institutional Investors (FII)	6946	0	6946	0.11	4057	0	4057	0.06	-0.05
h) Foreign Venture Capital Funds				0.00				0.00	
i) Others (Specify)				0.00				0.00	
Sub-total (B) (1) :	7134	200	7334	0.11	4347	200	4547	0.07	-0.04
(2) Non-Institutions									
a) Bodies Corporates									
i) Indian	92649	1221	93870	1.47	75409	1221	76630	1.20	-0.27
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	535028	65641	600669	9.41	597679	55196	652875	10.22	0.82
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	53950	0	53950	0.84	53600	0	53600	0.84	-0.01
c) NBFCs registered with RBI				0.00	1932	0	1932	0.03	0.03
d) IEPF A/c.	23976	0	23976	0.38	24736	0	24736	0.39	0.01
e) Others (specify)	84509	80	84589	1.32	49988	80	50068	0.78	-0.54
Sub-total (B) (2) :	1523338	66942	1590280	24.90	1536570	56497	1593067	24.94	0.04
Total Public Shareholding (B)									
(B) = (B)(1) + (B)(2)	1530472	67142	1597614	25.02	1540917	56697	1597614	25.02	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0
GRAND TOTAL (A+B+C)	6319317	67142	6386459	100	6329762	56697	6386459	100	0.00

(ii) Shareholding of Promoters

SI No	Shareholder's Name	Number of Shares held at the beginning of the year - As on 01-01-2018			Number of Shares held at the end of the year - As on 31-12-2018			% 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 the 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
	TOTAL	4788845	74.98	0	4788845	74.98	0	0.00

(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 01-01-2018		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) :	No Change in Shareholding during the Year			
	At the end of the year			4788845	74.98

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SI No	Details of the Top 10 Shareholders	Shareholding at the beginning of the year - As on 01-01-2018		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
9	Arvind Baburao Joshi a) At the Beginning of the Year b) Changes during the Year c) At the end of the year	0 7777	0.00 0.12	7777 7777	0.12 0.12
	Date Reason 14.12.2018 Purchase				
10	Joseph Jivanayakam Daniel a) At the Beginning of the Year b) Changes during the Year c) At the end of the year	6000	0.09 No Change during the year	6000	0.09
11	Nomura Singapore Limited a) At the Beginning of the Year b) Changes during the Year c) At the end of the year	6946 -1615 -1274	0.11 -0.03 -0.02	5331 4057 4057	0.08 0.06 0.06
	Date Reason 05.01.2018 Sale 07.09.2018 Sale				
12	Geeta Arvind Joshi a) At the Beginning of the Year b) Changes during the Year c) At the end of the year	7766 -7766	0.12 -0.12	0 0	0.00 0.00
	Date Reason 14.12.2018 Sale				
13	Amit Ashok Thawani a) At the Beginning of the Year b) Changes during the Year c) At the end of the year	6540 -500 -224 -322 -74 -22 -790 -1894 -399 -1051 -721 -543	0.10 -0.01 0.00 -0.01 0.00 0.00 -0.01 -0.03 -0.01 -0.02 -0.01 -0.01	6040 5816 5494 5420 5398 4608 2714 2315 1264 543 0 0	0.09 0.09 0.08 0.08 0.08 0.07 0.04 0.04 0.02 0.01 0.00 0.00
	Date Reason 01.06.2018 Sale 08.06.2018 Sale 15.06.2018 Sale 22.06.2018 Sale 29.06.2018 Sale 06.07.2018 Sale 13.07.2018 Sale 20.07.2018 Sale 27.07.2018 Sale 03.08.2018 Sale 17.08.2018 Sale				

(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 01-01-2018		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	Mr. Ravi Moti Kirpalani 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	Nil
2	Mr. Ajit Shah 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	Nil

Sl No	Name of the Directors and KMP	Shareholding at the beginning of the year - As on 01-01-2018		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
3	Mr. Glenn Cowie 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	Nil
4	Mrs. Indira Parikh 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	Nil
5	Mr. Sanjay Mathur 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	Nil
6	Mr. Pradeep Mallick 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	Nil
7	Ms. Merryll Durrenbach 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	Nil
8	Mr. R Umesh, CFO a) At the Beginning of the Year b) Changes during the Year c) At the end of the year	1	0.00 No Change during the year	1	0.00
9	Mr. Mahendra Kumar Dutia, Company Secretary 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	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
Indebtedness at the beginning of the Financial Year i.e. on 01.01.2018				
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
Total (i + ii + iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the Financial Year				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the Financial Year i.e as on 31.12.2018				
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
Total (i + ii + iii)	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	258.08	258.08
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	38.21	38.21
	(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		
5	Others, please specify		
	TOTAL (A)	296.29	296.29
	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
Independent Directors	Pradeep Mallick	Ajit Shah	Indira Parikh	
Fee for attending Board/Committee meetings	6.90	6.90	6.90	20.70
Commission	7.70	7.00	7.00	21.70
Others, please specify				-
Total (1)	14.60	13.90	13.90	42.40
Other Non-Executive Directors				
Other Non-Executive Directors	Merryl Durrenbach	Glenn Cowie		Total Amount in Rs. Lakhs
Fee for attending Board/Committee meetings	-	-		-
Commission	-	-		-
Others, please specify				-
Total (2)		-	-	-
TOTAL (B) = (1 + 2)	14.60	13.90	13.90	42.40
Total Managerial Remuneration (A + B)				338.69
Overall Ceiling as per the Act	Being 6% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013			

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	75.60	27.79	103.39
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	12.55	2.39	14.94
	(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			
5	Others, please specify			
	TOTAL	88.15	30.18	118.33

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)
A. COMPANY	Nil	Nil	Nil	Nil	Nil
Penalty					
Punishment					
Compounding					



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. DIRECTORS	Nil	Nil	Nil	Nil	Nil
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT	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: 25 January 2019

ANNEXURE B

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

A) Conservation of energy

1. Steps taken or impact on conservation of energy:

The Company has constantly been emphasising on optimisation of energy consumption in every possible area 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.

- Usage of Flameproof LED lights in shop floors areas instead of conventional lights. Complete plant and office lightings converted to LED.
- Installed new vent condenser on resin reactor improving heat transfer and reduction in batch cycle time.
- Installed spray jet water nozzle on frequent usage taps to conserve water and pumping energy.
- Replaced LPG fired continuous oven burners with energy efficient modulating burners.

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

- Exploring installation of 5kW solar PV unit.
- Evaluation of solar farm power source under progress.

3. Capital investment on energy conservation equipment:

- LED lights for plant areas.
- Condenser for resin reactor.

- Energy efficient burners for ovens.

B) Technology Absorption

The following efforts are being made in technology absorption:

Research & Development (R&D)

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

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

(a) Feeding Systems:

- Developed new shape to improve productivity for ease of new applications in foundries.
- New formulation for Ant-pipping for high Alloy Steel Castings

(b) Coatings:

- Absorbed technology for developing special coatings for automotive castings and centrifugal castings

(c) Filters:

- Robotics and automation in manufacture and processing of 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: Improvements carried out in Coatings helped the customer to minimize the rework in Iron castings.

Cost Reduction: In case of Feeding systems, value engineering helped to benefit to the customers.

Product Development: Product Development was done in various products to improve surface finish in steel castings.

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

Sand Binder – Manufacturing of additives

(b) Year of Import:

Ferrous Coatings – 2018

Filters – 2018

(c) Whether the technology has been fully absorbed:

Ferrous coating – Yes

Filters – Laboratory scale is in the process of industrialisation

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

The technology will be utilized and absorbed after the commissioning of the filter plant in 2019.

4. Expenditure incurred on Research and Development:

- a) Capital : Rs. 46.05 Lakhs (previous year NIL)
- b) Revenue : Rs. 90.61 Lakhs (previous year Rs. 69.15 Lakhs)
- c) **Total : Rs. 136.66 Lakhs** (previous year Rs. 69.15 Lakhs)

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	2,412.93	2,134.98
b) Total Foreign exchange outgo in terms of actual outflows	4,537.92	6,808.62

For and on behalf of the Board of Directors

Ravi Moti Kirpalani

Chairperson

DIN: 02613688

Place: Pune

Date: 25 January 2019

ANNEXURE C

Particulars of Employees and Related Disclosures

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

- a) The ratio of the remuneration of each Director and Key Managerial Personnel (KMP) to the median remuneration of the employees of the Company for the financial year ended 31 December 2018:

Name of the Director / KMP	Designation	Ratio of the remuneration of each Director to the median remuneration*	% increase in remuneration in the financial year
Pradeep Mallick	Non-Executive Director	1.45	-22.60%
Ajit Shah	Non-Executive Director	1.80	0.72%
Merryl Durrenbach	Non-Executive Director	-	0.00%
Indira Parikh	Non-Executive Director	1.80	0.72%
Glenn Allan Cowie	Non-Executive Director	-	0.00%
Ravi Moti Kirpalani	Non-Executive Director	0.13	100.00%
Sanjay Mathur	Executive Director	38.06	38.31%
R Umesh	Chief Financial Officer	11.32	18.82%
Mahendra Kumar Dutia	Company Secretary	3.88	11.64%

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 2018 was **Rs. 7.79 Lakhs** (previous year **Rs. 6.71 Lakhs**).
- c) The percentage increase in the median remuneration of employees in the financial year was **15.96%** (previous year **4.03%**)
- d) The number of permanent employees on the rolls of the Company: **220** as on 31 December 2018 (previous year **222**).
- 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, 2018

Sr. No.	Name	Designation	Gross Remuneration (Rs.)	Qualifications	Experience (Years)	Date Of Commencement Of Employment	Age	Last Employment held Name of the Company
Employed throughout the year								
1	Sanjay Mathur	Managing Director	2,96,29,530	B.E. (Chemical), Master of Marketing, Australia Advanced Management Programme, Australia DipFM, ACCA, UK	31	01-Apr-2007	54	Pennzoil Quaker State India Ltd.
2	P M Deshpande	Process And Engineering Director - Foundry	1,43,92,919	B.E. (Mechanical), MMS (Operations)	35	14-Nov-1985	59	Oil and Natural Gas Corporation of India
3	R Umesh	Chief Financial Officer	88,14,506	B. Com., L.L.B., F.C.A.	31	12-Aug-2004	55	GE Power Controls India Pvt. Ltd.
Employed for part of the year								
4	Jayant Kamat	Head Of Operations - India & Asean	1,03,98,612	B Tech, DBM	28	03-Mar-2008	53	ROHM and HAAS (I) Pvt. Ltd
5	Sudhakar Rao	Sales, Marketing & Technology - Director	1,69,90,915	B. Sc (Chemistry), DBM	41	19-Dec-1982	60	Hindustan Lever Ltd
6	Vineet Thakar	Sales, Marketing & Technology - Director	9,50,268	B.Tech (Aerospace), MBA, USA	21	03-Dec-2018	47	Shell India Markets Pvt. Ltd.

Note :

- All appointments are / were contractual, as per the rules and conditions of the Company.
- "Gross Remuneration" includes salary, bonus, allowances, leave travel allowance, reimbursement of medical expenses, 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 Companies (Appointment and Remuneration) Rules, 2014.

For and on behalf of the Board of Directors

Ravi Moti Kirpalani
Chairperson
DIN: 02613688

Place: Pune
Date: 25 January 2019



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ANNEXURE D

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2018

[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 2018 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 2018 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 2017, 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, 25th January 2019

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.



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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. Wherever 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, 25th January 2019

Annexure E

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year ended 31 December 2018

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 2018:

Name	Designation
Indira Parikh	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. 5020.68 Lakhs (previous year 4668.13 Lakhs)**
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): **Rs. 100.41 Lakhs (previous year Rs. 93.36 Lakhs)**
5. Details of CSR spent during the financial year:
- a) Total amount to be spent for the financial year **Rs. 100.41 Lakhs (previous year Rs. 93.36 Lakhs).**
- b) Amount unspent, if any **Rs. 64.51 Lakhs (previous year NIL)**
- c) 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.	Concretisation of Road	Environment & Society	Sanaswadi, Pune, Maharashtra	32.38	8.80	32.38	Direct - Local Gram Panchayat
2.	Building science laboratories in village schools and providing Innovative Digital Education Platform	Child Education	Various schools in Pune, Maharashtra	18.06	17.57	17.57	Rotary Club of Pune East Charitable Trust
3.	Juvenile Diabetes Programme run by Hirabai Cowasji Jehangir Medical Research Institute, Pune	Healthcare	Pune, Maharashtra	14.95	7.45	7.45	Direct





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
4.	Developmental work at the local Police Station	Community Development	Police Station located near Company premises	2.08	2.08	2.08	Direct
			Total	67.47	35.90	59.48	

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
For the financial year ended 31 December 2018, the Company could not spend the entire amount earmarked for spending on CSR projects and programmes, as some of these projects were under the early stage of implementation requiring laying down of clear road map. This will be ready in the beginning of the year 2019 for implementation.

The Company has also identified new CSR projects and programmes involving direct beneficiaries and non-governmental organisations. All the projects are under active consideration which will be implemented during the year resulting in healthy CSR spend during the year 2019. The Company is committed to achieving the desired results enunciated in its CSR Policy and is confident of meeting the statutory requirement.

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

Indira Parikh

Chairperson (CSR Committee)

Sanjay Mathur

Managing Director

Dated: 25 January 2019

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

During the year, the Group unveiled the new values that will guide the Company in its ability to grow and significantly improve its results in the coming years. The Company has conducted an extensive strategic review of its activities. Following this review, ambitious goals were set for its growth and improvement of its profitability.

To help each one of the employees make the right decisions and bring them together – a new 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.



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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 2018, the Board of the Company comprised of five Directors - One Executive Director and four Non-Executive Directors, of whom three are Independent Directors. One of the Non-Executive Director is nominated by Foseco Overseas Limited, London, United Kingdom. The current strength of the Board includes one Woman Director who 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, aged 60 years, was appointed as a Non-Executive Independent Director and Chairperson on the Board of Foseco India Limited 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 for over 16 years 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 35 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, aged 54 years, is Managing Director of the Company since 1 April 2007. His present term as the Managing Director will come to an end on 31 March 2019. A Resolution for his re-appointment as the Managing Director for a period of 3 (three) years from 1 April 2019 to 31 March 2022 has been placed in the Notice convening the Annual General Meeting for the approval of the Members. 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 32 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 17 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,



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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, aged 72 years, 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, and
- ii) Sunshield Chemicals 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.

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

(d) INDIRA PARIKH (DIN: 00143801), Non-Executive Independent Director

Mrs. Indira Parikh, aged 75 years, is a Non-Executive Independent Director on the Board of Foseco India Limited since 21 July 2014.

Mrs. Indira Parikh has done M.Ed. from University of Rochester, New York USA and is a Doctorate from Gujarat University. She was a faculty at IIM-Ahmedabad for over 30 years and Dean from 2002 to 2005. She has taught at INSEAD, Fontainebleau (France) and Texas A&M University. She has held various academic positions at IIMA.

She has specialised in organisation development and design, and institution building. She has designed and offered management and leadership development programs in public sector, private sector and multinational organisations. She has been a consultant to various national and international organisations. Mrs. Parikh has travelled extensively on assignments across the globe.

Mrs. Indira Parikh was the Founder President of FLAME. She was involved in creating the academic vision and shaping FLAME. She has conceptualised the Centre for Organizational Growth and Excellence (COGE) with its focus on thresholds of life, lifelong learning, development and growth. The focus of COGE is on transformation from entry to career transition at the end of working life. All the programmes focus on transformation of individuals, groups and institution's life, role and identity.

She has been honoured with several life time achievement awards both nationally and internationally.

As on date, Mrs. Indira Parikh is an Independent Director on the Board of the following listed companies:-

- i) Foseco India Limited,
- ii) Zydus Wellness Limited,
- iii) Arvind Smartspaces Limited,
- iv) Force Motors Limited,
- v) Johnson Controls – Hitachi Air Conditioning India Limited,
- vi) Deepak Nitrite Limited,
- vii) Sintex Plastic Technology Limited

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

- i) Foseco India Limited – Member of the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and the Chairperson of the Corporate Social Responsibility Committee.
- ii) Zydus Wellness Limited – Member of the Audit Committee, Nomination and Remuneration Committee and the Corporate Social Responsibility Committee.
- iii) Arvind Smartspaces Limited – Member of the Audit Committee and the Corporate Social Responsibility Committee.
- iv) Force Motors Limited – Member of the Audit Committee.
- v) Johnson Controls – Hitachi Air Conditioning India Limited – Member of the Audit Committee and the Nomination and Remuneration Committee.
- vi) Deepak Nitrite Limited – Member of the Nomination and Remuneration Committee.
- vii) Sintex Plastic Technology Limited – Member of the Audit Committee.

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

(e) GLENN ALLAN COWIE (DIN: 07163534), Non-Executive Non-Independent Director; Nominee of Foseco Overseas Limited

Mr. Glenn Allan Cowie, aged 57 years, is a Non-Executive and Non-Independent Director on the Board of the Company, who was appointed as a Director of the Company on 24 April 2015, being nominated by the Holding Company - Foseco Overseas Company.

Mr. Glenn Allan Cowie is a South African national and a British citizen and currently resides in UK, serving as the President – Foundry Division of Vesuvius plc. He is associated with the Vesuvius Group over last 35 years.

Mr. Cowie was appointed President Foundry in November 2014, having delivered significant change in business structure and performance as President Advanced Refractories during the prior three years. He started his career in Foseco South Africa in 1981, where he held several technical and sales positions in both the Foundry and Steel Divisions, before becoming the Chief Executive Sub Saharan Africa. Mr. Cowie was transferred to the UK in an international Strategic Growth Initiative role and shortly thereafter was promoted to Area Director Northern Europe, based in Borken, Germany. Following a two-year period with Fosbel, he returned to Foseco in 2008 as Vice President Foundry NAFTA, and subsequently the Americas. He is a Diploma Engineer in Metallurgical Engineering.

Mr. Cowie does not hold Directorship in any other public company in India except Foseco India Limited. He is a Member of the Board's Nomination and Remuneration Committee.

He 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 Foseco Non-Executive Directors also hold Directorships. 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 in the Company, its Holding, Subsidiary or Associate Company;
- apart from receiving Director's remuneration, the Independent Directors of the Company do not have or had any material pecuniary relationship 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 has or have had pecuniary relationship or transaction with the Company, its Holding, Subsidiary or Associate Company, or their Promoters, or Directors, amounting to two per cent or more of its gross turnover or total income of fifty lakh rupees, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- 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 two per cent 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 twenty-five per cent 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 two per cent or more of the total voting power of the Company;
 - (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 Independent Directors of the Company who are not a Non-independent Director of another 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 2018.

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 four Board Meetings were held during the year 2018 on the following dates: **1 February 2018, 23 April 2018, 18 July 2018 and 26 October 2018**. 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 2018** is as follows:

Name of the Director	Category	Number of Board Meetings attended during the year 2018	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 ¹ (DIN: 02613688)	Chairperson, Independent, Non-Executive	1	--	1	2	1
Sanjay Mathur (DIN: 00029858)	Managing Director	4	No	1	1	--
Ajit Shah (DIN: 02396765)	Independent, Non-Executive	4	Yes	2	3	2
Glenn Allan Cowie (DIN: 07163534)	Non Independent, Non-Executive	3	No	1	--	--
Indira Parikh (DIN: 00143801)	Independent, Non-Executive	4	Yes	7	7	--
Merryl France Durrenbach ² (DIN: 06920690)	Non Independent, Non-Executive	2	No	--	--	--
Pradeep Mallick ³ (DIN: 00061256)	Independent, Non-Executive	2	Yes	1	2	--

- 
1. Mr. Ravi Moti Kirpalani was appointed as an Additional Independent Director with effect from 26 October 2018.
 2. Ms. Merryl France Durrenbach resigned from the Board with effect from 26 October 2018.
 3. Mr. Pradeep Mallick retired from the Board with effect from 25 April 2018. The Membership, Chairpersonship of the Board and Committee positions shown against his name are as on the date when he ceased to be the Director of the Company.

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 24 January 2019, 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 senior Director possess deep expertise of the Company's products, is highly business-minded and observant as well as open and engaging. The other Director brought on table her wide experience and knowledge about the internal controls and processes both with regard to the business and financial accounting matters which were quite 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 earlier Chairpersons provided effective leadership to the Board, encouraged active engagement, participation and open discussion by all Members and communicated effectively. They were extra-ordinarily committed and perceived to be meticulous, caring and well prepared for the meetings. They were active listeners and provided meaningful contribution for development of business and its strategic planning.

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.fosecoindia.com/View/policies.aspx**.

Meetings of the Board

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

Meetings Calendar: The probable dates of the Board / Committee Meetings for the forthcoming year are decided well in advance in order to facilitate and assist the Directors to plan their schedules for the Meetings. The indicative annual calendar of the Meetings forms part of this Report.

Board Meeting Location: The location of the Board / Committee Meetings is informed well in advance to all the Directors, to facilitate their attendance.

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.



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- 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 2018 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.

Committees of the Board

As on 31 December 2018, 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 respective Board Committees. 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 Controller of Accounts and Company Secretary acts as the Secretary of all the Committees.

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 3 Members, all of whom are Non-Executive Independent Directors – Mr. Ajit Shah, Mr. Ravi Moti Kirpalani and Mrs. Indira Parikh. 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 2018 on 1 February 2018, 23 April 2018, 18 July 2018 and 26 October 2018. 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
Pradeep Mallick ¹	2	2
Indira Parikh	4	4
Merryl Durrenbach	4	1
Ravi Moti Kirpalani ²	0	0

1. Mr. Pradeep Mallick retired from the Board with effect from 25 April 2018.
2. Mr. Ravi Moti Kirpalani was appointed a Member of the Committee after the conclusion of the Meeting held on 26 October 2018.



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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:-

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

Composition

As on 31 December 2018, the Committee comprised of four Members – Mr. Ajit Shah as Chairperson, Mr. Ravi Moti Kirpalani and Mrs. Indira Parikh as Non-Executive Independent Directors and Mr. Glenn Cowie 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 1 February 2018, 23 April 2018, 18 July

2018 and 26 October 2018. 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
Pradeep Mallick ¹	2	2
Glenn Cowie	4	2
Indira Parikh	4	4
Ravi Moti Kirpalani ²	0	0

1. Mr. Pradeep Mallick retired from the Board with effect from 25 April 2018.
2. Mr. Ravi Moti Kirpalani was appointed a Member of the Committee after the conclusion of the Meeting held on 26 October 2018.

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, Managing Director, 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 2018, the Company has paid the following remuneration to the Managing Director:

Salary and bonus	₹ 258.08 lakhs
Total perquisites	₹ 38.21 lakhs
Total	₹ 296.29 lakhs

The present term of the Managing Director will come to an end on 31 March 2019. He has been re-appointed by the Board of Directors for a period of three years from 1 April 2019 to 31 March 2022, subject to approval of the Members at the ensuing Annual General Meeting. 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 for the financial year ended 31 December 2018 is summarised below:

Directors	Sitting Fees (₹ In lakhs)	Commission Payable (₹ In lakhs)
Pradeep Mallick	3.60	2.40
Ajit Shah	7.00	7.00
Indira Parikh	7.00	7.00
Ravi Moti Kirpalani	1.00	1.42

The commission for the year 2018 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 – Mrs. Indira Parikh



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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, one Meeting of the CSR Committee was held on 1 February 2018. 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
Indira Parikh	1	1
Pradeep Mallick ¹	1	1
Ajit Shah	1	1
Sanjay Mathur	1	1
Ravi Moti Kirpalani ²	0	0

1. Mr. Pradeep Mallick retired from the Board with effect from 25 April 2018.
2. Mr. Ravi Moti Kirpalani was appointed a Member of the Committee after the conclusion of the Meeting held on 26 October 2018.

CSR Policy

The CSR Policy is available on the website of the Company at **URL: FosecoIndia/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.

Composition

As on 31 December 2018, the Committee comprised of four Members: Mr. Ravi Moti Kirpalani, a Non-Executive Independent Director as Chairperson, Mr. Ajit Shah, Mrs. Indira Parikh 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 2018 on the following dates: **1 February 2018, 23 April 2018, 18 July 2018 and 26 October 2018**. 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
Pradeep Mallick ¹	2	2
Ajit Shah	4	4
Glenn Cowie	4	2
Indira Parikh	4	4

Name of the Director	Number of meetings held during the respective tenure of the director during the year	Number of meetings Attended
Merryl Durrenbach	4	2
Sanjay Mathur	4	4
Ravi Moti Kirpalani ²	0	0

1. Mr. Pradeep Mallick retired from the Board with effect from 25 April 2018.
2. Mr. Ravi Moti Kirpalani was appointed a Member of the Committee after the conclusion of the Meeting held on 26 October 2018.

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 2018

Nature of Complaints	Opening Balance	Complaints Received During the Year	Received from		Closing Balance
			Share Transfer Agents or Direct	SEBI /BSE / NSE	
Non-receipt of dividend warrant	Nil	1	Nil	1	Nil
Non-receipt of Share Certificate	Nil	1	Nil	1	Nil
Non-receipt of Annual Report	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil
Total	Nil	2	Nil	2	Nil

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 2017	24 April 2018	1200 Hrs	At the Company's Registered Office at Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur, Pune – 412 208	NIL
31 December 2016	27 April 2017	1200 Hrs	- Do –	NIL
31 December 2015	26 April 2016	1200 Hrs	- Do -	NIL

Special Resolution passed through Postal Ballot

During the financial year ended 31 December 2018, 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 April 2019, 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 2018.

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.fosecoindia.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

62nd Annual General Meeting

The 62nd Annual General Meeting will be held on Friday, 26 April 2019 at the Registered Office of the Company at Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur, Pune 412208 at 1200 hours (IST).

Financial Year of the Company

Your Company follows the Calendar Year from 1st January to 31st 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 April 2019
2nd Quarter	April	June	4th week of July 2019
3rd Quarter	July	September	4th week of October 2019
4th Quarter	October	December	4th week of January 2020
Annual General Meeting for the financial year ending 31 December 2019			April 2020

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, 19 April 2019 to Friday, 26 April 2019 (both days inclusive)** for determining the entitlement of the Shareholders to the payment of final dividend, if declared at the AGM.

Dividend Payment Date: Final dividend, if declared at the AGM, shall be paid/credited on or before **Saturday, 25 May 2019**.

Stock Exchange Listing

Stock Exchange	Stock Code	Listing Fees Paid Up to	ISIN
BSE Limited	500150	31.03.2019	INE519A01011
National Stock Exchange of India Limited	FOSECOIND	31.03.2019	INE519A01011

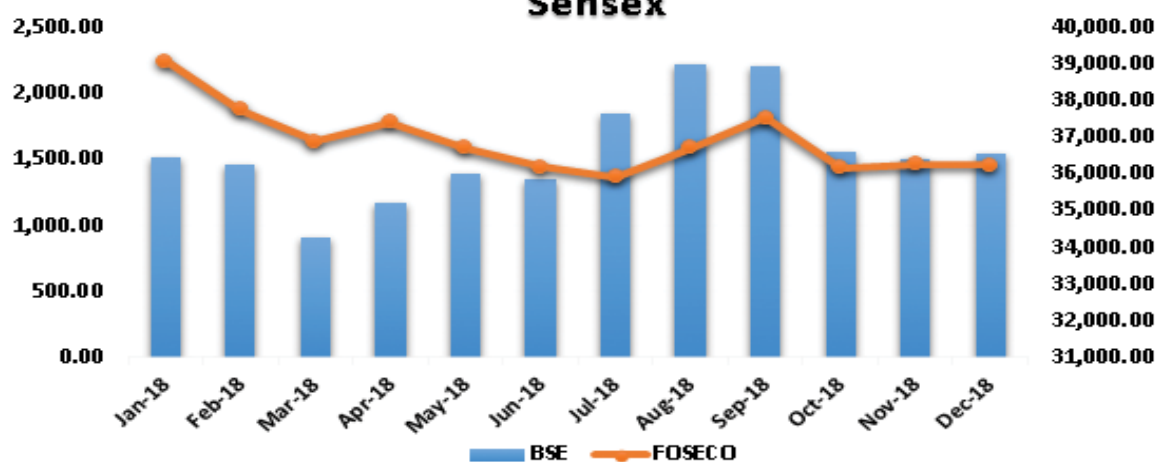
Share Price

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 2018 were:

Month	BSE	BSE	NSE	NSE
	Share Price		Share Price	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Jan-18	2,244.00	1,760.00	2,248.80	1,760.00
Feb-18	1,880.00	1,578.05	1,901.00	1,557.45
Mar-18	1,638.00	1,430.00	1,649.00	1,423.00
Apr-18	1,787.00	1,501.00	1,649.90	1,478.00
May-18	1,588.00	1,339.00	1,559.00	1,370.45
Jun-18	1,442.00	1,285.00	1,449.00	1,269.00
Jul-18	1,369.00	1,278.45	1,376.85	1,269.00
Aug-18	1,590.00	1,315.00	1,584.35	1,312.40
Sep-18	1,815.00	1,320.00	1,818.00	1,300.00
Oct-18	1,438.95	1,267.10	1,398.25	1,255.05
Nov-18	1,469.00	1,303.00	1,468.85	1,318.50
Dec-18	1,459.00	1,341.00	1,458.00	1,348.05

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

Comparison of Foseco Price With BSE Sensex



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 2018, 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: umesh.sharma@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 Practicing Company Secretary for due compliance of issuance of share certificates within the stipulated time limit of the date of lodgement for transfer, transmission, sub-division, consolidation etc., and had filed the same with the Stock Exchanges.

As on 31 December 2018 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 2018 was carried out by a Practicing Company Secretary whose reports were submitted with the Stock Exchanges, within the stipulated time-limit. The reports were also placed before the Board of Directors at its Meetings.

Shareholding Distribution

The distribution of shareholding as at 31 December 2018 is tabulated below:

Nominal Value of Shares	Number of Share-holders	% of Total Share-holders	Total Value of Shares	% of Total Shares Value
Up to 5,000	8368	97.76	4,987,470	7.81
5,001 to 10,000	106	1.24	821,290	1.29
10,001 to 20,000	43	0.50	619,880	0.97
20,001 to 30,000	18	0.21	432,870	0.68
30,001 to 1,00,000	15	0.17	720,140	1.12
1,00,001 and above	10	0.12	56,282,940	88.13
Total	8560	100.00	63,864,590	100.00

The nature of shareholding is summarised below:

Category	Total Number of Shares	% of Total Shares
Foreign Promoters	4788845	74.98
Foreign Companies	733226	11.48
NRIs /OCBs/FIIs/FPIs	24205	0.38
IEPF Account	24736	0.39
Banks, NBFCs, FIs and Mutual Funds	2422	0.04
Private Corporate Bodies	76630	1.20
Indian Public	736395	11.53
Total	6386459	100.00

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 2018, approximately 99.11% 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

SEBI has vide notification SEBI/LAD-NRO/GN/2018/24 dated 8 June 2018, notified about mandatory transfer of securities in dematerialized form only. Accordingly, the requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed after 5 December 2018, unless the securities are held in the dematerialized form with the depositories. The date was further extended to 1 April 2019. The shareholders are requested to dematerialize their physical securities by 31 March 2019. After the said date, requests for transfer of securities in physical form will not be entertained.

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

SEBI has vide Circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20 April 2018, directed all the listed



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companies to record the Income Tax PAN and bank account details of all their shareholders holding shares in physical form and advise them to dematerialise their physical securities. Accordingly, the Company has sent letters by registered post to the shareholders holding shares in physical form at their last known address, advising them to register their Income Tax PAN (including that of joint holders, if any) and the bank account details. This was followed by two reminder letters to those shareholders who have not responded earlier. All those shareholders who are yet to update their 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	2	140
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	1	40
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.

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.



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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
2011 – Final	25-Apr-2012	31-May-2019
2012 - 1st interim	25-Apr-2012	31-May-2019
2012 - 2nd interim	18-Jul-2012	23-Aug-2019
2012 - 3rd interim	23-Oct-2012	28-Nov-2019
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

Year	Date of Declaration	Due Date for Transfer
2016 - Final	27-Apr-2017	01-Jun-2024
2017 - 1st Interim	27-Jul-2017	31-Aug-2024
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

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. 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.

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 –

- For investors holding securities in dematerialised mode, by seeking the same from the depositories,
- 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 ₹ 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.



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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, 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 was required to be framed in this regard.

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: 25 January 2019

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 2018, 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 & CEO

Place: Pune

Date: 25 January 2019



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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, 2018, 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, 25th January 2019

Management Discussion And Analysis

INTRODUCTION

FOSECO is the Foundry Technologies Division of Vesuvius Group plc. engaged in supporting the development of global steel and foundry manufacturing processes with new technologies. It has manufacturing capabilities in all the major steel and foundry markets across the world and is a leader in the supply of consumables and solutions related to the foundry industry. FOSECO as the name stands originates from the term **F**oundry **S**ervices **C**ompany. 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. Foseco 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:



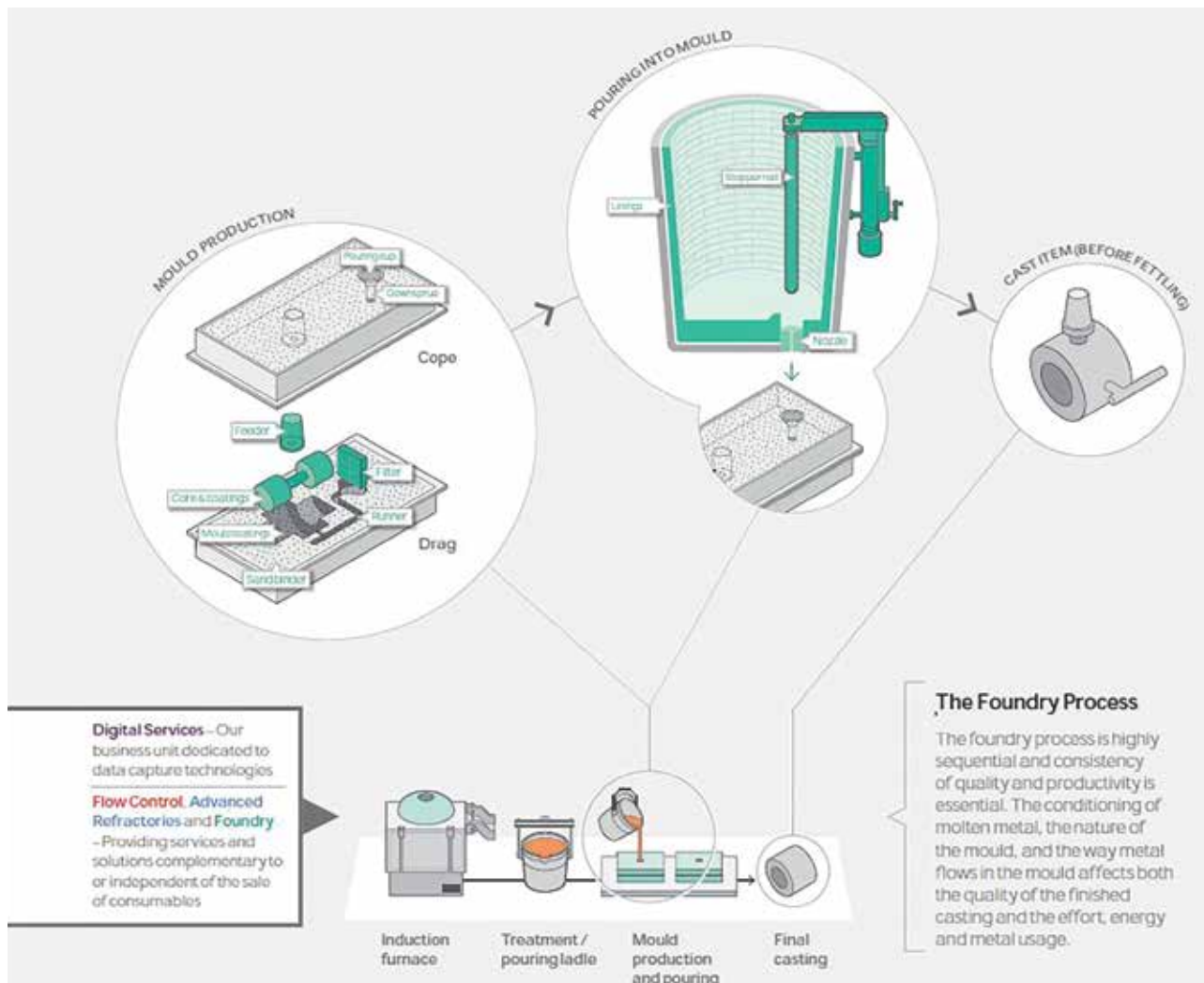
Foseco's Key Strength

- **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

FOUNDRY PROCESS AND OUR STRATEGY

The Foundry Process

Foseco is a leading supplier of consumable products, solutions and associated services in the areas of foundry process, 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 its 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 2018 saw world economy strengthening in the beginning as the fear related to the global financial crisis subsided. The improved global economic situation provided an opportunity for countries to focus their policy towards longer-term issues such as low carbon economic growth, reducing inequalities, economic diversification and eliminating deep-rooted barriers that hinder development. However, the recent improvements in growth remain unevenly distributed across countries and



regions and there are signs of stress in the world economy and that of major countries. The ongoing trade dispute between the United States and China has resulted in escalation of trade tariffs by several countries. The impending withdrawal of the United Kingdom (Brexit) from the European Union is expected to further keep the global economy on tenterhooks. The slowdown in Chinese economy will have chain effect in many major economies with violent fluctuation in the prices of key raw-materials and input costs of manufacturing. Due to plans by the Organization of Petroleum Exporting Countries (OPEC) and its allies to limit production and reduce supply of oil to keep the price under control, the markets are expected to tighten as growth stays strong. The result of these factors will be felt during the coming period and may affect the foundry industry.

Indian Economy – Opportunities and Threats

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next decade, backed by its strong domestic consumption. India's GDP is estimated to have increased by 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19. During the first half of 2018-19, GDP (at constant 2011-12 prices) grew by 7.6 per cent. India has retained its position as the third largest startup base in the world leading with technology startups, according to a report by NASSCOM.

With the improvement in the economic scenario, there have been rise in investments in various sectors of the economy. Some of the important recent developments in Indian economy viz., Increase in exports from India by 15.48% year-on-year to touch USD 351.99 billion in April-November 2018, the Nikkei India Manufacturing Purchasing Managers' Index (PMI) stood at 53.2 in December 2018, showing expansion in the sector, rise in income tax collection, increase in India's Foreign Direct Investment (FDI), making it the 2nd highest ranked emerging market for FDI, bode well for the country. The most important reforms such as GST, the inflation-targeting monetary policy framework of the Reserve Bank of India, the Insolvency and Bankruptcy Code, make it easier to do business in India.

On the flip side, the recent imbroglio in the Non Banking Financial Companies (NBFC) segment following the default of a systemically important NBFC over its short term debt repayment, the drag from higher crude prices resulting in fall in the foreign exchange reserves and depreciation of the rupee will keep the financial liquidity tighter going into 2019, while political uncertainty remained high with the upcoming elections in India. This will affect the foundry industry for a greater part of this year.

Foundry Industry scenario – Future Outlook

The casting production is considered as one of the main factors influencing the development of world economy. The state of art and foresight of world's casting production led the progress in foundry engineering in the last few years. The last decade brought significant changes in the world map of the greatest casting producers. India emerged as the 2nd largest producer of castings 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. Foundry Industry has reported a turnover of approximately USD 19 billion, with exports of approximately USD 2.5 billion. However, Grey Iron Castings have the major share i.e. approximately 68% of the total castings produced. Out of nearly 5000 units, 90% of the units are in the small and micro-scale enterprises.

In the backdrop of several disruptive and exciting changes, which may affect the foundry industry adversely but also may throw new opportunities to be grabbed. The key to survive and thrive will be to foresee the changes and be resilient to adapt quickly to such changes. The growing trade wars and concerns for clean environment, shifting to E-Vehicle mobility by 2030, restriction on use of some particular fuels, digitization in financial, other transactions and other services will have to be factored in while planning for the future. ICRA has reported that global prices of non-ferrous metals which have witnessed a correction due to global macroeconomic concerns in the last three months is unlikely to go down further, on the back of ongoing trade wars. The demand supply fundamentals, however, would not justify such a correction, as the



global market of these metals are currently in deficit.

The biggest challenge is posed by rupee depreciation which is increasing the cost of imported capital goods, inputs and various services used by exporters that is paid in foreign currency. The trends in non-deliverable forward (NDF) market indicate that further fall in rupee is not ruled out particularly as India's external debt is increasing. Buyers of casting products from the Middle East and certain parts of Asia are demanding sizeable reduction in prices, on account of rupee depreciation, which is making it difficult to sustain healthy margins.

New Government Initiatives

The Government of India's Automotive Mission Plan (AMP) 2006–2016 has come a long way in ensuring growth for the sector. Indian Automobile industry is expected to achieve a turnover of \$300 billion by the year 2026 and will grow at a rate of CAGR 15 per cent from its current revenue of \$74 billion. The Government has come out with Automotive Mission Plan (AMP) 2016-26 which will help the automotive industry to grow and will benefit Indian economy in the following ways:-

- Contribution of auto industry in the country's GDP will rise to over 12 per cent
- Around 65 million incremental number of direct and indirect jobs will be created
- End of life Policy will be implemented for old vehicles

The rapidly growing economy is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development. Even if these plans achieve 75-80%, it will augur well for the Indian Foundry Industry. Owing to the increase in demand from the automotive sector, driven by rising production of commercial and passenger vehicles, two and three wheelers across the globe, the demand for iron and aluminium castings could grow 35-40% by 2019-20 from the current levels.

FOSECO'S PERFORMANCE HIGHLIGHTS

Financial Performance

Foseco registered good sales in a difficult and volatile business environment.

Table 1: Abridged Profit and Loss Account (₹ In Lakhs)

Particulars	2018	2017
Total Revenue	36216	37869
Operating Expenses	30734	32483
EBITDA	5482	5386
Depreciation	454	534
PBIT	5028	4852
Finance Charges	21	35
PBT	5007	4817
Tax	1804	1660
PAT	3203	3157

As per Table 1 above, during the year under review your Company witnessed a drop in sales by 4.4% in Revenue. However, the figures of 2017 and 2018 years above are not comparable due to different treatment of excise duty and Goods and Service Tax (GST) in the sales numbers of 2017. During the period upto 30 June 2017, excise duty was charged which is included in Sales. Post GST implementation from 1 July 2017, the sales figure is net of GST recovered. Excluding this adjustment, the sales in the year 2018 grew by 2% over 2017. The Sales growth was softer than previous

years due to recovery of raw material prices in an adverse competitive environment, drive for collection of outstandings in a weak liquidity situation of major foundries and slowdown in the automotive sector towards the end of 2018. Steps taken to prevent erosion of profitability resulted in the Profit After Tax rising by 3.9% over the year 2017. The Company generated ₹ 6688 Lakhs cash from its operations in 2018 as against ₹ 7938 Lakhs in 2017.

Table 2: Key Financial Ratios

Particulars	2018	2017
PBIT/ Total Revenue	13.39%	13.35%
PAT/ Total Revenue	8.53%	8.69%
ROCE	30.95%	32.70%
RONW	20.00%	21.50%
Debt Equity Ratio	--	0.01
Current Ratio	2.55	2.58
Debtors Turnover	4.34	4.10
Inventory Turnover	11.41	15.21

Disclosure of Accounting Treatment – Adoption of Indian Accounting Standards (Ind-AS)

The Company has followed the treatment laid down in the Accounting Standards 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.

The Indian Accounting Standards (Ind-AS) became applicable to the Company from 1 January 2018 and accordingly, the transition was carried out, from the Accounting Principles generally accepted in India as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (previous GAAP) to Ind-AS 101 "First time adoption of Indian Accounting Standards".

The reconciliation and descriptions of the effect of the transition from Indian GAAP to Ind-AS have been provided in the notes forming part of separate financial statements.

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 9001:2008, ISO 14001:2004 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 2333 safety improvement opportunities identified and implemented at the manufacturing sites during the year 2018 against 1937 improvement opportunities in 2017. 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.



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Operations

Foseco India Limited 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.

Human Resources

Human Resources is Foseco’s greatest strength and a foundation for long-term success. In July 2018, Vesuvius Group unveiled new set of values CORE (Courage, Ownership, Respect and Energy) which were simultaneously introduced to all employees in India. In order to reinforce the Values among employees, painting and writing competitions based on CORE Values were organized. The team worked on a few big projects like Success Factors which includes major HR activities like Annual Performance Management and Compensation Review.

Engagement initiatives saw a new high with monthly engagement initiative ‘Masti Time 2.0’. The quarterly newsletter, ‘FOSECONNECT’ being a delightful read every quarter and ‘Foseco Family Day 2018’ was celebrated to connect employees and their family members together. Employees also bonded together over fitness activities like trekking and cycling in and around Pune. Numerous technical competency building programmes were conducted for Sales & Marketing teams along with measuring the returns based on Jack Phillip’s model. Training programmes on 8D-PPS were also arranged for the people of Foseco India. A Sales, Marketing & Technology conclave was organized for the Managers of customer facing functions. ‘FISH! Philosophy’ programmes were conducted for the field Sales staff and dealers. 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.



Building of managerial and technical competencies is an area of constant focus. ‘Foseco University’, the e-Learning platform continued to provide impetus to the organisation’s drive to build competencies of its customer and market facing



functions. Every year, Foseco earns customer recognition for its services.

Corporate Social Responsibility Initiatives

CSR has always been an area of special attention and interest for the Company which has joined hands with Rotary Club of Khadki, Rotary Club of Poona Downtown and Rotary Club of East Charitable Trust aiming to implement socially beneficial projects. Foseco India has completed several projects in the field of Education, Healthcare, Women Empowerment and Environment. The Company has constructed science laboratories and donated e-Learning kits in several schools and colleges in and around Pune. In the field of healthcare, it has donated medicines, hospital beds, equipment and appliances required in the operation theatre in hospitals. The Company has organized blood donation camps and anemia detection camps in various schools and colleges in association with the Rotary Clubs. It is also associated 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 the financial year ended 31 December 2018, the Company could not spend the entire amount earmarked for spending on CSR projects and programmes, as some of these projects were under the early stage of implementation requiring laying down of clear road map. All the projects are under active consideration of the Board of Directors of the Company, who are confident of meeting the CSR obligations as enunciated in the CSR Policy of the Company by implementing these projects, which will result in healthy CSR spend during the year 2019.

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 9001:2008.

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: 25 January 2019



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

25 January 2019

**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 2018, 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 & CEO

R Umesh
Chief Financial Officer



Independent Auditors' Report

To the Members of
Foseco India Limited

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of Foseco India Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.



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7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by 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, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The transition date opening balance sheet as at January 1, 2017 included in these Ind AS financial statements, is based on the previously issued statutory financial statements for the year ended December 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditors who expressed an unmodified opinion vide report dated February 8, 2017.

The comparative financial information of the Company for the year ended December 31, 2017 included in these Ind AS financial statements, is based on the previously issued statutory financial statements for the year ended December 31, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated February 1, 2018.

The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. 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.
11. As required by Section 143 (3) of the Act, we report that:
- 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.
 - 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.
 - The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors as on December 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - 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, if any, of pending litigations as at December 31, 2018 on its financial position in its Ind AS financial statements – Refer Note 29 (a);
 - ii. The Company has long-term contracts as at December 31, 2018 for which there were no material foreseeable losses. The company did not have any derivative contracts as at December 31, 2018.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended December 31, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended December 31, 2018.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/ N500016

Chartered Accountants

Amit Borkar

Partner

Membership Number: 109846

Place: Pune

Date: January 25, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(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, 2018.

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, 2018 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



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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 control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at December 31, 2018, 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.

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 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, 2018

- 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 have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- 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 regular in depositing the undisputed statutory dues, including provident fund, income tax, duty of customs, 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 and value added tax as at December 31, 2018 which have not been deposited on account of a dispute, are as follows:

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

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
Central Sales Tax Act	Central Sales Tax	39.66	-	2008-2009 and 2009-2010	Joint Commissioner of Sales Tax (Appeals)

- 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.
- 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

Chartered Accountants

Amit Borkar

Partner

Membership Number: 109846

Place: Pune

Date: January 25, 2019



Financial Statements



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Foseco India Limited

(All amounts in INR lakhs, unless otherwise stated)

Balance Sheet as at December 31, 2018

	Notes	December 31, 2018	December 31, 2017	January 1, 2017
ASSETS				
I. Non-current assets				
Property, plant and equipment	3(a)	1,970.04	2,277.41	2,539.04
Capital work-in-progress	3(b)	595.95	115.27	24.16
Intangible assets	4	-	0.07	30.74
Financial assets				
(a) Loans	5	65.43	52.06	39.36
Deferred tax assets (net)	12 (a)	305.13	223.27	180.79
Income tax assets (net)	12 (b)	300.03	331.34	656.64
Other non - current assets	10	182.67	4.91	54.61
Total non-current assets		3,419.25	3,004.33	3,525.34
II. Current assets				
Inventories	9	2,097.82	1,671.15	1,916.43
Financial assets				
(a) Trade receivables	6	8,700.95	10,057.59	9,960.66
(b) Cash and cash equivalents	7 (a)	9239.08	7,175.59	2,116.05
(c) Bank balances other than (b) above	7 (b)	76.82	77.87	391.15
(d) Loans	5	13.40	7.93	3.54
(e) Other financial assets	8	26.55	20.84	13.71
Income tax assets (net)	12 (b)	167.04	-	-
Other current assets	11	104.97	79.12	369.01
Total current assets		20,426.63	19,090.09	14,770.55
Total Assets		23,845.88	22,094.42	18,295.89
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	13 (a)	638.65	638.65	638.65
Other equity	13 (b)	14,972.15	13,926.78	12,332.19
Total equity		15,610.80	14,565.43	12,970.84
LIABILITIES				
I. Non-Current liabilities				
Financial liabilities				
(a) Borrowings	14	-	-	64.53
(b) Other financial liabilities	16	186.76	107.38	63.84
Provisions	17	47.21	20.35	23.84
Total non-current liabilities		233.97	127.73	152.21
II. Current liabilities				
Financial liabilities				
(a) Trade payables	15			
- Total outstanding dues of micro, small and medium enterprises		47.65	79.03	500.19
- Total outstanding dues of creditors other than micro, small and medium enterprises		6,972.58	6,270.29	3,928.88
(b) Other financial liabilities	16	548.78	499.33	360.64
Other current liabilities	18	202.03	387.54	294.27
Provisions	17	230.07	165.07	88.86
Total current liabilities		8,001.11	7,401.26	5,172.84
Total Liabilities		8,235.08	7,528.99	5,325.05
Total Equity and Liabilities		23,845.88	22,094.42	18,295.89

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
Chartered Accountants

Amit Borkar
Partner
Membership No.: 109846

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

Ravi Moti Kirpalani
Chairman
DIN : 02613688

Ajit Shah
Director
DIN : 02396765

Sanjay Mathur
Managing Director
DIN : 00029858

Indira Parikh
Director
DIN : 00143801

Glenn Cowie
Director
DIN : 07163534

R Umesh
Chief Financial Officer

Mahendra Dutia
Controller of Accounts and Company Secretary

Place : Pune
Date : January 25, 2019

Place : Pune
Date : January 25, 2019

Foseco India Limited

(All amounts in INR lakhs, unless otherwise stated)

Statement of Profit and Loss for the year ended December 31, 2018

	Notes	Year ended December 31, 2018	Year ended December 31, 2017
Income			
Revenue from operations	19	36,215.58	37,868.79
Other Income	20	442.70	253.04
Total Income		36,658.28	38,121.83
Expenses			
Cost of materials consumed	21	20,883.51	20,790.18
Purchases of stock in trade	22	608.79	568.89
Changes in inventories of finished goods, work-in-progress and stock in trade	23	20.62	(27.81)
Excise duty		-	2,109.32
Employee benefits expense	24	3,448.18	3,087.19
Finance costs	25	20.87	35.26
Depreciation and amortisation expense	26	453.90	534.13
Other expenses	27	6,215.15	6,207.63
Total Expenses		31,651.02	33,304.79
Profit before tax		5,007.26	4,817.04
Tax expense	12 (b)		
- Current tax		1,841.96	1,688.61
- Deferred tax		(38.35)	(28.98)
Total tax expense		1,803.61	1,659.63
Profit for the year		3,203.65	3,157.41
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined employee benefit plan - gain/(loss)		(124.51)	(39.00)
Income tax relating to these items		43.51	13.50
Other comprehensive income for the year, net of tax		(81.00)	(25.50)
Total comprehensive income for the year		3,122.65	3,131.91
Earnings per equity share			
Basic and Diluted earnings per share (face value Rs. 10 each)	28	50.16	49.44

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
Chartered Accountants

Amit Borkar
Partner
Membership No.: 109846

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

Ravi Moti Kirpalani
Chairman
DIN : 02613688

Ajit Shah
Director
DIN : 02396765

Sanjay Mathur
Managing Director
DIN : 00029858

Indira Parikh
Director
DIN : 00143801

Glenn Cowie
Director
DIN : 07163534

R Umesh
Chief Financial Officer

Mahendra Dutia
Controller of Accounts and Company Secretary

Place : Pune
Date : January 25, 2019

Place : Pune
Date : January 25, 2019



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Foseco India Limited

(All amounts in INR lakhs, unless otherwise stated)

Statement of changes in equity for the year ended December 31, 2018

A) Equity Share Capital

	Notes	
As at January 1, 2017		638.65
Change in equity share capital	13	-
As at December 31, 2017		638.65
Change in equity share capital	13	-
As at December 31, 2018		638.65

B) Other Equity

Changes during the year ended December 31, 2017

	Note	Reserves & Surplus			Total
		Securities Premium	General Reserve	Retained Earnings	
As at January 1, 2017		1,912.60	3,359.58	7,060.01	12,332.19
Profit for the year		-	-	3,157.41	3,157.41
Other comprehensive income for the year		-	-	(25.50)	(25.50)
Transfer to general reserve		-	313.19	(313.19)	-
Transactions with owners in their capacity as owners:					
Dividends paid	13 (b)	-	-	(1,277.29)	(1,277.29)
Dividend distribution tax thereon	13 (b)	-	-	(260.03)	(260.03)
As at December 31, 2017		1,912.60	3,672.77	8,341.41	13,926.78

Other Equity (continued)

Changes during the year ended December 31, 2018

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

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, 2018

	Year Ended December 31, 2018	Year Ended December 31, 2017
A) Cash flows from operating activities		
Profit before tax	5,007.26	4,817.04
Adjustments for		
Depreciation and amortisation expense	453.90	534.13
Provision for doubtful debts	179.42	88.98
Bad debts written off	-	3.58
(Profit) / loss on sale / disposal of property, plant and equipment	(2.13)	(13.00)
Finance cost	20.87	35.26
Interest income	(337.57)	(153.35)
Provisions no longer required, written back	-	(18.78)
Provision for doubtful debts written back	(49.38)	-
Unrealised exchange (gain) / loss (net)	4.44	5.37
Operating profit before working capital changes	5,276.81	5,299.23
Working capital adjustments		
(Increase) / Decrease in Trade Receivables	1,214.05	(198.18)
(Increase) / Decrease in Inventories	(426.67)	245.28
(Increase) / Decrease in Other financial assets	(5.71)	(7.13)
(Increase) / Decrease in Other assets	(25.85)	289.89
Increase / (Decrease) in Trade Payables	679.02	1,922.90
Increase / (Decrease) in Other financial liabilities	194.29	239.98
Increase / (Decrease) in Other liabilities	(185.51)	112.05
Increase / (Decrease) in Provisions	(32.65)	33.72
Cash generated from operations	6,687.78	7,937.74
Income taxes paid (net of refunds)	(1,977.69)	(1,363.31)
Net cash inflows from operating activities (A) @	4,710.09	6,574.43
B) Cash flows from investing activities		
Payments for property, plant and equipment	(806.12)	(285.96)
Proceeds from disposal of property, plant and equipment	3.35	15.73
Redemption of bank deposits (with maturity more than three months)	0.52	311.80
Investment in bank deposits (with maturity more than three months)	(0.40)	(0.52)
Loans to employees granted	(18.84)	(16.43)
Interest income	337.57	153.35
Net cash inflow/(outflow) from investing activities (B)	(483.92)	177.97



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Foseco India Limited

(All amounts in INR lakhs, unless otherwise stated)

Statement of cash flows for the year ended December 31, 2018 (continued)

	Year Ended December 31, 2018	Year Ended December 31, 2017
C) Cash flows from financing activities		
Repayment of sales tax deferral loan	(64.53)	(120.28)
Dividends paid	(1,724.35)	(1,277.29)
Tax on dividend	(352.93)	(260.03)
Interest paid	(20.87)	(35.26)
Net cash inflow/(outflow) from financing activities (C)	(2,162.68)	(1,692.86)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	2,063.49	5,059.54
Cash and cash equivalents at the beginning of the year	7,175.59	2,116.05
Cash and cash equivalents at the end of the year	9,239.08	7,175.59

@ Cash flow from operating activities include Rs. 35.90 lakhs (December 31, 2017 Rs. 94.27 lakhs) being cash outflow towards Corporate Social Responsibility initiative [Refer note 27(b)]

Cash and cash equivalents comprise of:		
Cash on hand	1.51	2.64
Balances with banks		
- in current accounts	2,004.68	2,013.51
- in EEFC accounts	87.89	244.44
Deposits with maturity of less than 3 months	7,145.00	4,915.00
Total	9,239.08	7,175.59

Notes:

- a) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flows.
- b) Net debt reconciliation

	Sales Tax deferral loan
Net debt as at December 31, 2017	64.53
Cash inflow / (Outflow)	(64.53)
Net debt as at December 31, 2018	-

- c) 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
Chartered Accountants

Amit Borkar
Partner
Membership No.: 109846

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

Ravi Moti Kirpalani
Chairman
DIN : 02613688

Ajit Shah
Director
DIN : 02396765

Sanjay Mathur
Managing Director
DIN : 00029858

Indira Parikh
Director
DIN : 00143801

Glenn Cowie
Director
DIN : 07163534

R Umesh
Chief Financial Officer

Mahendra Dutia
Controller of Accounts and Company Secretary

Place : Pune
Date : January 25, 2019

Place : Pune
Date : January 25, 2019

Foseco India Limited

Notes to the Financial Statements

(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 BSE Limited and National Stock Exchange of India Limited.

The Board of Directors have authorized these financial statements for issue on January 25, 2019.

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.

The financial statements up to year ended December 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 35 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(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.

(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 31 for segment information presented.



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Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian National Rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in 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

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, goods and service tax (GST) and amounts collected on behalf of third parties.

Sale of Goods

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract.

(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.



Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

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.

(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.



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Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

(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.

(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. A qualifying asset is one 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.

(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

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Profit and Loss are expensed in the Statement of Profit and Loss.

(iii) Subsequent Measurement

After initial recognition, financial assets are measured at:

- fair value (either through Other Comprehensive Income or through Profit and Loss), or
- amortized cost

(iv) Debt instruments

Debt instruments are subsequently measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through Profit and Loss ('FVTPL') till de-recognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in Statement of 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.



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Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

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.
- 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.

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

(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 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**

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized 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. The carrying amount of any significant component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on the straight-line method over the useful lives of assets as determined based on internal technical evaluation. Useful lives of assets are as follows:

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



Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

Leasehold improvements are depreciated over the period of the lease agreement.

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/ other expenses respectively.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at January 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at January 1, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(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.

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

(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.

(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



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Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

(b) Defined contribution plans- superannuation fund and provision fund

(a) Defined benefit plans - Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

(b) Defined contribution Plans- Superannuation Fund and Provision Fund

The Company contributes on a defined contribution basis to Employees' 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.

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

(v) 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.

(w) 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 shareholders.

(x) 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.

(y) 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.

(z) New standards or interpretations:

- a) The Company has applied the following amendment for the first time for its annual reporting period commencing 1st January, 2018:

Amendment to Ind AS 7 “Statement of Cash Flows”:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of Standalone Financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The adoption of this amendment did not have any impact on financial statements. When the Company first applies these amendments, it is not required to provide comparative information for preceding periods.





Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

Refer note (b) under Statement of Cash Flows.

- b) New standards or interpretations issued but applicable from January 1, 2019 to the Company:

The Company will apply the following standard for the first time for its annual reporting period commencing January 1, 2019:

(i) Ind AS 115 – Revenue from Contracts from Customers

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on March 28, 2018 which includes Ind AS 115 'Revenue from Contracts with Customers'. This will replace Ind AS 18 which covers contracts for goods and services and Ind AS 11 which covers construction contracts.

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles. Under the new standard, Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The Company is in the process of assessing the detailed impact of Ind AS 115. Presently, the Company is not able to reasonably estimate the impact that the new standard is expected to have on its financial statements. However, the Company does not expect that adoption of Ind AS 115 is going to significantly change the timing of the company's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers or in other cases delivered to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

(ii) Other Pronouncements

Following accounting pronouncements are not expected to have significant impact on the Company's financial statement.

1. Amendment to Appendix B to Ind AS 21 Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in foreign currency.
2. Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses which clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base.
3. Amendments to Ind AS 40 Investment property -Transfers of investment property which clarify that transfers to or from, investment property can only be made if there has been a change in use that is supported by evidence.

Foseco India Limited

Notes to the Financial Statements (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:

- Useful lives of property, plant and equipment and intangible assets (Refer note 1 (o) , 1 (p), 3 and 4)
- Impairment of Trade Receivables (Refer note 1(j), 1(m)(vi) and 6)
- Defined benefit obligations (Refer note 1(u), 17)
- Recognition of deferred tax assets (Refer note 1(f) and 12(a))
- Current tax expense and income tax receivable (Refer note 1(f) and 12(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

Particulars	Freehold land	Leasehold land	Factory Buildings	Buildings - Others	Plant & Machinery	Laboratory Equipment	Office Equipment	Furniture & fixtures	Motor Vehicles	Total
Deemed cost as on January 1, 2017	151.92	2.76	612.74	278.15	1,395.36	16.70	31.45	22.65	27.31	2,539.04
Additions	-	-	6.01	-	174.60	13.20	4.07	-	46.68	244.56
Disposals	-	-	-	-	(1.02)	(0.02)	(1.27)	-	(1.24)	(3.55)
Gross carrying amount as on December 31, 2017	151.92	2.76	618.75	278.15	1,568.94	29.88	34.25	22.65	72.75	2,780.05
Accumulated depreciation										
Charge for the year	-	0.04	38.60	19.47	392.80	7.45	15.08	6.14	23.88	503.46
Disposals	-	-	-	-	(0.27)	(0.01)	(0.53)	-	(0.01)	(0.82)
Closing accumulated depreciation as at December 31, 2017	-	0.04	38.60	19.47	392.53	7.44	14.55	6.14	23.87	502.64
Net carrying amount as on December 31, 2017	151.92	2.72	580.15	258.68	1,176.41	22.44	19.70	16.51	48.88	2,277.41

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Freehold land	Leasehold land	Factory Buildings	Buildings - Others	Plant & Machinery	Laboratory Equipment	Office Equipment	Furniture & fixtures	Motor Vehicles	Total
Opening gross carrying amount as on January 1, 2018	151.92	2.76	618.75	278.15	1,568.94	29.88	34.25	22.65	72.75	2,780.05
Additions	-	-	-	3.25	91.59	46.44	1.30	5.11	-	147.69
Disposals	-	-	(0.03)	-	(1.81)	-	-	-	(1.84)	(3.68)
Gross carrying amount as on December 31, 2018	151.92	2.76	618.72	281.40	1,658.72	76.32	35.55	27.76	70.91	2,924.06
Accumulated depreciation	-	0.04	38.60	19.47	392.53	7.44	14.55	6.14	23.87	502.64
Charge for the year	-	0.04	37.65	19.54	349.95	11.55	11.23	4.96	18.91	453.83
Disposals	-	-	-	-	(0.61)	-	-	-	(1.84)	(2.45)
Closing accumulated depreciation as at December 31, 2018	-	0.08	76.25	39.01	741.87	18.99	25.78	11.10	40.94	954.02
Net carrying amount as on December 31, 2018	151.92	2.68	542.47	242.39	916.85	57.33	9.77	16.66	29.97	1,970.04

3(b) Capital work- in-progress

Particulars	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Capital work-in-progress (Refer note 2 below)	595.95	115.27	24.16

Notes:

- 1 Refer to note 29(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.
- 4 The Company has elected to continue with carrying value of property, plant and equipments as recognised in financial statements as per Indian GAAP and regard those values as deemed cost on the date of transition.

4 Intangible assets

Particulars	Computer Software	Total
Deemed cost as on January 1, 2017	30.74	30.74
Additions	-	-
Disposals	-	-
Gross carrying amount as on December 31, 2017	30.74	30.74
Accumulated Amortisation		
Amortisation charge for the year	30.67	30.67
Disposals	-	-
Closing accumulated depreciation as at December 31, 2017	30.67	30.67
Net carrying amount as on December 31, 2017	0.07	0.07

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Computer Software	Total
Opening gross carrying amount as on January 1, 2018	30.74	30.74
Additions	-	-
Disposals	-	-
Gross carrying amount as on December 31, 2018	30.74	30.74
Accumulated Amortisation		
Balance as at January 1, 2018	30.67	30.67
Amortisation charge for the year	0.07	0.07
Closing accumulated depreciation as at December 31, 2018	30.74	30.74
Net carrying value as on December 31, 2018	-	-

5 Loans

Non-current	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Unsecured, considered good			
Security deposits	40.96	34.94	35.65
Loans to employees	24.47	17.12	3.71
Total	65.43	52.06	39.36
Current	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Unsecured, considered good			
Loans to employees	13.40	7.93	3.54
Total	13.40	7.93	3.54

6 Trade receivable

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Trade receivables- others	8,750.05	9,829.39	9,990.47
Trade receivables from related parties (refer note 30)	386.87	616.34	309.66
Less: Allowance for doubtful debts	(435.97)	(388.14)	(339.47)
Total	8,700.95	10,057.59	9,960.66

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

Break-up of security details

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Unsecured, considered good	8,700.95	10,057.59	9,960.66
Trade receivables - doubtful	435.97	388.14	339.47
Less: Allowance for doubtful debts	(435.97)	(388.14)	(339.47)
Total	8,700.95	10,057.59	9,960.66

7 (a) Cash and cash equivalents

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Cash on hand	1.51	2.64	2.14
Cheques on hand	-	-	66.76
Balances with banks			
- in current accounts	2,004.68	2,013.51	2,047.15
- in EEFC accounts	87.89	244.44	-
Deposits with maturity of less than 3 months	7,145.00	4,915.00	-
Total	9,239.08	7,175.59	2,116.05

The disclosure relating to Specified Bank Notes* (SBNs) is not applicable to the Company for year ended December 31, 2018 and December 31, 2017.

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the then existing series of the value of five hundred rupees and one thousand rupees as defined under the notification number S.O. 3407(E), dated the 8th November, 2016 issued by the Department of Economic Affairs under the Ministry of Finance, Government of India.

7 (b) Bank balances other than cash and cash equivalents

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Balances with banks			
- in deposits with original maturity of more than three months but less than twelve months (Refer note below)	0.40	0.52	311.80
In earmarked accounts			
Unpaid dividend accounts	76.42	77.35	79.35
Total	76.82	77.87	391.15

Note: Held as lien by banks against bank guarantees.

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

8 Others financial assets - current

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Unsecured, considered good			
Receivable from Related Parties (refer note 30)	14.67	3.89	13.19
Interest accrued on fixed deposits	11.88	16.95	0.52
Total	26.55	20.84	13.71

9 Inventories (valued at lower of cost and NRV)

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Raw materials			
- In hand	1,116.63	792.64	892.91
- In transit	443.59	231.89	245.56
- In bond	-	88.40	247.55
Work in progress	80.80	71.05	53.58
Finished goods			
- In hand	431.59	457.49	473.53
- In transit	16.89	24.98	-
Stock - in - trade	8.32	4.70	3.30
Total	2,097.82	1,671.15	1,916.43

Amounts recognized in the statement of profit and loss

Provision for excess and obsolete inventory amounted to Rs. 28.64 lakhs (December 31, 2017 : Rs. 4.01 lakhs, January 1, 2017 : Rs. 22.36 lakhs). These were recognized as an expense during the year and included in 'Cost of materials consumed' in the statement of profit and loss.

10 Other non current assets

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Unsecured, considered good			
Capital advances	182.67	4.91	54.61
Total	182.67	4.91	54.61

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

11 Other current assets

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Unsecured, considered good			
Advances other than capital advance			
- Prepaid expenses	53.08	52.20	98.74
- Balances with government authorities	-	-	25.19
- Advance to suppliers	50.67	26.65	244.84
- Advance to employees	1.22	0.27	0.24
Total	104.97	79.12	369.01

12 (a) Deferred tax assets (net)

The balance of deferred tax comprises temporary differences attributable to:

Particulars	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Deferred tax asset			
Property, plant and equipment and intangible assets	39.24	4.07	-
Provision for gratuity	58.60	23.71	1.30
Provision for compensated absences	38.28	40.46	37.71
Provision for doubtful debts	152.34	134.33	117.49
Other timing differences	16.67	20.70	53.42
	305.13	223.27	209.92
Deferred tax liability			
Property, plant and equipment and intangible assets	-	-	29.13
	-	-	29.13
Total deferred tax assets (net)	305.13	223.27	180.79

Note:

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

Movement in deferred tax assets/liabilities

Particulars	As at January 1, 2017	(Charged)/ credited to profit/loss or OCI	As at December 31, 2017	(Charged)/ credited to profit/loss or OCI	As at December 31, 2018
Deferred Tax Assets					
Property, plant and equipment and intangible assets	-	4.07	4.07	35.17	39.24
Provision for gratuity	1.30	22.41	23.71	34.89	58.60
Provision for compensated absences	37.71	2.75	40.46	(2.18)	38.28
Provision for doubtful debts	117.49	16.84	134.33	18.01	152.34
Other timing differences	53.42	(32.72)	20.70	(4.03)	16.67
Deferred tax liability					
Property, plant and equipment and intangible assets	29.13	29.13	-	-	-
Total	180.79	42.48	223.27	81.86	305.13

12 (b) Income Taxes

Income tax assets (net)

	As at December 31, 2018	As at December 31, 2017
Opening Balance	331.34	656.64
Less : Current tax payable for the year	(1,841.96)	(1,688.61)
Add / (Less) : Taxes paid/ (Refund Received)	1,977.69	1,363.31
Closing balance	467.07	331.34

Particulars	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Income tax assets (net)			
Current	167.04	-	-
Non current	300.03	331.34	656.64
Total	467.07	331.34	656.64

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

The major components of income tax expense for the year ended December 31, 2018 and December 31, 2017 are:

Statement of profit and loss

Profit and Loss section	Year ended December 31, 2018	Year ended December 31, 2017
Current income tax charge		
Current income tax		
- Current tax on profit for the year	1,755.00	1,683.82
- Adjustment for current tax for prior period	86.96	4.79
Total current tax expense	1,841.96	1,688.61
Deferred Tax		
Decrease/(increase) in deferred tax assets	(38.35)	0.15
(Decrease)/increase in deferred tax liabilities	-	(29.13)
Total deferred tax expense/ (credit) to P&L	(38.35)	(28.98)
Income tax expense reported in the statement of profit or loss	1,803.61	1,659.63
Other comprehensive income section	Year ended December 31, 2018	Year ended December 31, 2017
Deferred tax related to items recognised in OCI during the year	43.51	13.50
Income tax charged to OCI	43.51	13.50

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for December 31, 2018 and December 31, 2017.

	Year ended December 31, 2018	Year ended December 31, 2017
Profit before tax from continuing operations	5,007.26	4,817.04
At Statutory income tax rate of 34.944% (December 31, 2017 : 34.608%)	1,749.74	1,667.08
Tax effects of amounts which are not deductible (taxable) in calculating taxable income	(9.43)	(5.43)
Tax relating prior period	86.96	4.79
Others	(23.66)	(6.81)
At the effective tax rate	1,803.61	1,659.63
Income tax expense reported in the statement of profit or loss	1,803.61	1,659.63

Note:

The Company's Management is of the opinion that its international transactions with Related Parties (Associated Enterprises) are at 'arm's length' and that the Company is in compliance with the transfer pricing legislation. Further,

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

the Company is in the process of updating its documentation in respect to international transactions with Related Parties (Associated Enterprises) as required under section 92E of the Income Tax Act, 1961. The Company's Management believes that the transfer pricing legislation will not have any impact on the financial statements, particularly on the amount of tax expense and the provision for tax made as at and for the year ended 31 December 2018 and 31 December 2017.

13 (a) Equity share capital

Particulars	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Authorised equity share capital:			
7,500,000 (December 31, 2017 : 7,500,000; January 1, 2017 : 7,500,000) Equity Shares of Rs. 10 each	750.00	750.00	750.00
Total	750.00	750.00	750.00
Issued, subscribed and paid up :			
6,386,459 (December 31, 2017 : 6,386,459; January 1, 2017 : 6,386,459) Equity Shares of Rs. 10 each fully paid up	638.65	638.65	638.65
Total	638.65	638.65	638.65

(i) Reconciliation of number of equity shares

Particulars	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Shares outstanding at the beginning and end of the year	63,86,459	63,86,459	63,86,459

(ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par 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 (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, 2018	As at December 31, 2017	As at January 1, 2017
Immediate Holding Company			
Foseco Overseas Limited, United Kingdom	37,04,219	37,04,219	37,04,219
Subsidiary of Ultimate Holding Company			
Vesuvius Holdings Limited, United Kingdom	5,44,066	5,44,066	5,44,066
Parent of Immediate Holding Company			
Foseco (UK) Limited, United Kingdom	5,40,560	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, 2018		As at December 31, 2017		As at January 1, 2017	
	% holding	No. of shares	% 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	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	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	8.46%	5,40,560
Karibu Limited, United Kingdom	11.48%	7,33,226	11.48%	7,33,226	11.48%	7,33,226

- The Company has not issued any bonus shares in 5 years immediately preceding the year ended December 31, 2018.
- There were no shares bought back or allotted either as fully paid-up bonus shares or under any contract during the five years immediately preceding the year ended December 31, 2018.

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

13 (b) Other equity

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Reserves & Surplus			
Securities premium (Refer note (i) below)	1,912.60	1,912.60	1,912.60
General reserve (Refer note (ii) below)	3,672.77	3,672.77	3,359.58
Retained earnings (Refer note (iii) below)	9,386.78	8,341.41	7,060.01
Total	14,972.15	13,926.78	12,332.19

(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.

	As at December 31, 2018	As at December 31, 2017
Opening balance	3,672.77	3,359.58
Add: Amount transferred from surplus in Statement of Profit and Loss during the year	-	313.19
Closing balance	3,672.77	3,672.77

(iii) Retained earnings

	As at December 31, 2018	As at December 31, 2017
Retained earnings		
Opening balance	8,341.41	7,060.01
Add: Profit for the year	3,203.65	3,157.41
	11,545.06	10,217.42
Less: Dividend on Equity Shares	(1,724.35)	(1,277.29)
Less: Dividend Distribution Tax	(352.93)	(260.03)
Less: Transfer to General Reserves	-	(313.19)
Items of other comprehensive income recognised directly in retained earnings		
Re-measurement gain/(loss) of defined employee benefit plan (net of tax)	(81.00)	(25.50)
	9,386.78	8,341.41
Total retained earnings	9,386.78	8,341.41



Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

14 Borrowings

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Unsecured			
Sales tax deferral loan	-	64.53	184.81
Total	-	64.53	184.81
Less: Current maturities of sales tax deferral loan (included in Note 16)	-	64.53	120.28
Total	-	-	64.53

- a) The sales tax deferral loan was interest free loan obtained by the Company under 1993 Package Scheme of Incentives. The same was repayable in instalments on yearly basis upto 2018.
- b) The sales tax deferral loan has been repaid fully in April 2018.

15 Trade Payables

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Total outstanding dues of micro, small and medium enterprises	47.65	79.03	500.19
Total outstanding dues of creditors other than micro, small and medium enterprises			
(i) Related Parties (refer note 30)	756.51	1,088.08	885.48
(ii) Others	6,216.07	5,182.21	3,043.40
Total	7,020.23	6,349.32	4,429.07

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

The Company has certain dues payable to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The information as required to be disclosed under MSMED Act has been determined to the extent such parties have been identified on the basis of information available with the Company.

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

S r. No.	Particulars	December 31, 2018	December 31, 2017	January 1, 2017
a)	Principal amount due to suppliers registered under MSMED Act and remaining unpaid as at the year end	47.65	79.03	500.19
b)	Interest due on above principal amount to suppliers registered under the MSMED Act and remaining unpaid as at the year end	-	0.02	-
c)	Principal amounts paid to suppliers registered under the MSMED Act, beyond 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	0.02	0.07	-
e)	Interest paid under Section 16 to suppliers registered under the MSMED Act, beyond appointed day during the year	-	-	-
f)	Interest due and payable to suppliers registered under MSMED Act, for payments already made	-	0.02	0.07
g)	Interest accrued and remaining unpaid at the end of each accounting year	-	-	-
h)	Further Interest remaining due and payable for earlier years	-	-	-

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

16 Other financial liabilities

Non-Current	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Accrued employee benefit obligations	170.01	90.63	47.09
Deposit for leasehold land (Refer note below)	16.75	16.75	16.75
Total	186.76	107.38	63.84

Note:

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

Current	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Current maturities of sales tax deferral loan	-	64.53	120.28
Dues to Non-executive Directors	17.82	21.70	21.70
Accrued employee benefit obligations	440.29	323.50	127.06
Unclaimed dividend (Refer note below)	76.42	77.35	79.35
Deposits from customers	14.25	12.25	12.25
Total	548.78	499.33	360.64

Note:

There is no amount due and outstanding as on December 31, 2018 to be credited to Investor Education and Protection Fund u/s 125 of the Companies Act, 2013.

17 Provisions

Non-Current	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Provision for compensated absences (refer note (a) below)	47.21	20.35	23.84
Total	47.21	20.35	23.84

Current	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Provision for compensated absences (refer note (a) below)	62.36	96.55	85.11
Provision for Gratuity (refer note (b) (ii) below)	167.71	68.52	3.75
Total	230.07	165.07	88.86

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

Note :

a Long term employee benefit obligations

Compensated absences

The Compensated absences of employees 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, 2018.

b Post employment obligations

(i) Defined Contribution Plan

The Company has certain defined contribution plans. Contributions are made to registered provident fund account of the employees at the rate of 12% of basic salary as per regulations as well as to superannuation fund. The contributions are made to registered provident fund administered by the 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 expense recognised during the period towards defined contribution plan is Rs. 275.60 lakhs (31 December 2017 : Rs. 272.80 lakhs).

(ii) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to the recognized funds in India. The Company does fully fund the liability based on estimations of expected gratuity valuation provided by the Actuary.

I The amounts recognised in balance sheet and movements in the net benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
January 1, 2017	762.36	(758.61)	3.75
Current service cost	80.22	-	80.22
Interest expense/(income)	49.22	(54.04)	(4.82)
Total amount recognised in Profit or Loss	129.44	(54.04)	75.40
Return on plan assets	-	(46.89)	(46.89)
(Gain)/loss from experience changes	104.05	-	104.05
(Gain)/loss from change in demographic assumptions	0.20	-	0.20
(Gain)/loss from change in financial assumptions	(18.36)	-	(18.36)

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Total amount recognised in Other Comprehensive Income	85.89	(46.89)	39.00
Employer contributions	-	(49.63)	(49.63)
Benefits paid	(66.49)	66.49	-
December 31, 2017	911.20	(842.68)	68.52

Particulars	Present value of obligation	Fair value of plan assets	Net amount
January 1, 2018	911.20	(842.68)	68.52
Current service cost	73.32	-	73.32
Interest expense/(income)	60.17	(61.14)	(0.97)
Total amount recognised in Profit or Loss	133.49	(61.14)	72.35
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)
Total amount recognised in Other Comprehensive Income	130.07	(5.56)	124.51
Employer contributions	-	(97.68)	(97.68)
Benefits paid	(127.48)	127.48	-
December 31, 2018	1,047.28	(879.57)	167.71

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

Particulars	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Present value of funded obligation	1,047.28	911.20	762.36
Fair value of plan assets	(879.57)	(842.68)	(758.61)
Deficit	167.71	68.52	3.75

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

III Significant estimates

The significant actuarial assumptions were as follows :

Particulars	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Discount rate	7.91%	7.10%	6.75%
Salary growth rate	7.00% (Year 1), 5.50% (Others)	6.50%	7.00%
Attrition rate	9.00%	12.00%	12.50%

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, 2018 Increase/(Decrease)	December 31, 2017 Increase/(Decrease)
Discount rate		
1 % increase	(46.30)	(39.55)
1 % decrease	50.98	43.33
Salary growth rate		
1 % increase	45.26	37.21
1 % decrease	(42.24)	(35.03)
Attrition rate		
1 % increase	6.57	(0.28)
1 % decrease	(7.27)	0.23

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.

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

	December 31, 2018	December 31, 2017
Less than a year	116.28	113.09
Between 2 to 5 years	579.77	488.98
Over 5 years	324.40	258.58
Total	1,020.45	860.65

The weighted duration of the defined benefit obligation is 8 years. (December 31, 2017 : 7 years)



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Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

V The major categories of plan assets are as follows:

Particulars	December 31, 2018	December 31, 2017	January 1, 2017
Funds managed by insurer	100%	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 yield. 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 yield will increase plan liabilities, although this will be partially offset by an increase in yield in the value of the plans' bond holdings.

Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in higher present value of liabilities. Further, unexpected salary increases provided at the discretion of the management may lead to uncertainties in estimating this increasing risk.

Asset-Liability mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements as it has adopted asset-liability management approach.

(iii) Compensated absences

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

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Current leave obligations expected to be settled within the next 12 months	62.36	96.55	85.11

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Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

18 Other current liabilities

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Statutory dues	202.03	387.54	294.27
Total	202.03	387.54	294.27

19 Revenue from operations

	Year ended December 31, 2018	Year ended December 31, 2017
Sale of products (inclusive of excise duty) *	36,107.21	37,496.15
Sale of services	23.05	2.49
Other operating revenue		
- Sale of scrap	18.41	18.78
- Sale of raw material and packing material	66.91	351.37
Total	85.32	370.15
Revenue from Operations	36,215.58	37,868.79

*Goods and Service Tax (GST) has been effective from July 1, 2017. Consequently, excise duty, value added tax (VAT), service tax, etc. have been replaced with GST. Until June 30, 2017, 'Sale of products' included the amount of excise duty recovered on sales. With effect from July 1, 2017, 'Sale of products' excluded the amount of GST recovered. Accordingly, revenue from 'Sale of products' and 'Revenue from operations' for the year ended December 31, 2018 are not comparable with those of the previous year ended December 31, 2017.

20 Other income

	Year ended December 31, 2018	Year ended December 31, 2017
Interest income from financial assets carried at amortised cost		
Fixed deposits	336.89	115.68
Others	0.68	37.67
Provisions no longer required, written back	-	18.78
Profit on disposal of property, plant and equipment	2.13	13.00
Provision for doubtful debts written back	49.38	-
Miscellaneous income	53.62	67.91
Total	442.70	253.04

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Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

21 Cost of raw materials consumed

	Year ended December 31, 2018	Year ended December 31, 2017
Raw materials consumed		
Opening stock	1,112.93	1,386.02
Add: Purchases (net)	21,330.80	20,517.09
	22,443.73	21,903.11
Closing stock	1,560.22	1,112.93
Total	20,883.51	20,790.18

22 Purchases of stock in trade

	Year ended December 31, 2018	Year ended December 31, 2017
Purchases of stock in trade	608.79	568.89
Total	608.79	568.89

23 Change in Inventories of finished goods, work-in-progress and stock in trade

	Year ended December 31, 2018	Year ended December 31, 2017
Opening Inventory		
- Finished goods	482.47	473.53
- Work in progress	71.05	53.58
- Stock - in - trade	4.70	3.30
	558.22	530.41
Less: Closing Inventory		
- Finished goods	448.48	482.47
- Work in progress	80.80	71.05
- Stock - in - trade	8.32	4.70
	537.60	558.22
Total changes in inventories of finished goods, work-in-progress and stock in trade	20.62	(27.81)

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

24 Employee benefits expense

	Year ended December 31, 2018	Year ended December 31, 2017
Salaries, wages and bonus	2,826.32	2,511.06
Contributions to provident and other funds (Refer note 17 (a)(i))	277.32	275.07
Gratuity (Refer note 17 (a)(ii))	72.35	75.40
Workmen and staff welfare expenses	272.19	225.66
Total	3,448.18	3,087.19

25 Finance costs

	Year ended December 31, 2018	Year ended December 31, 2017
Other borrowing costs	20.87	35.26
Total	20.87	35.26

26 Depreciation and amortization expense

	Year ended December 31, 2018	Year ended December 31, 2017
Depreciation on property, plant and equipment	453.83	503.46
Amortisation of intangible assets	0.07	30.67
Total	453.90	534.13

27 Other expenses

	Year ended December 31, 2018	Year ended December 31, 2017
Consumption of stores and spares	33.48	43.43
Power and fuel	710.37	591.41
Repairs and maintenance		
- Buildings	75.44	35.89
- Machinery	412.98	519.63
Processing charges	243.15	262.04
Freight and forwarding charges	872.65	917.23
Rent	9.55	-
Rates and taxes	45.54	66.28
Insurance	68.97	66.15
Travelling and conveyance	446.29	478.48
Legal and professional charges	389.69	370.44
Directors' Sitting fees	18.60	20.70
Payment to auditors (refer note (a) below)	53.45	55.16
Foreign exchange fluctuation loss (net)	50.69	90.96



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Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

	Year ended December 31, 2018	Year ended December 31, 2017
Provision for Doubtful debts	179.42	88.98
Bad debts written off	82.21	3.58
Less: Withdrawn from provision	(82.21)	-
Software maintenance charges	38.33	38.91
Royalty	1,545.60	1,535.88
R&D Cess on royalty	-	19.69
Consultancy service fees	605.24	565.56
Commission to Non Whole Time Directors	17.82	21.70
Expenditure towards Corporate social responsibility expenses (refer note 27 (b) below)	35.90	94.27
Miscellaneous expenses	361.99	321.26
Total	6,215.15	6,207.63

27 (a) Payment to auditors

	Year ended December 31, 2018	Year ended December 31, 2017
As auditor		
Statutory Audit	27.98	27.98
Limited Reviews	10.50	10.25
Tax audit fee	7.00	7.00
In other capacity		
Fees for other audit services	7.00	7.00
Reimbursement of out of pocket expenses	0.97	2.93
Total	53.45	55.16

27 (b) Corporate Social Responsibility (CSR)

	December 31, 2018	December 31, 2017
Total amount required to be spent by the Company during the year	100.41	93.36
Total	100.41	93.36

Amount spent during the year	In cash	
	December 31, 2018	December 31, 2017
a. Construction/ acquisition of an asset	26.37	82.39
b. On purposes other than (a) above	9.53	11.88
Total	35.90	94.27

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

28 Earnings per share (EPS)

	Year ended December 31, 2018	Year ended December 31, 2017
Net profit attributable to the Equity shareholders of the Company	3,203.65	3,157.41
Weighted average number of Equity shares	63,86,459	63,86,459
Nominal value of equity share in Rs.	10	10
Basic & Diluted Earnings per equity share (in INR)	50.16	49.44

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.

29 Contingencies and commitments

a) Contingent liabilities

	As at December 31, 2018	As at December 31, 2017	As at January 1, 2017
Legal matters under dispute:			
- Excise duty	-	-	7.69
- Income Tax	140.95	140.95	523.33
- Sales Tax	39.66	26.65	-
Total	180.61	167.60	531.02

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 proceedings. 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) The bank has given guarantees for Rs. 23.08 Lakhs (December 31, 2017 Rs. 15.71 Lakhs and January 01, 2017 Rs. 11.76 Lakhs) to third parties for supply of goods, clearance of goods from customs etc.

c) Capital commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 397.72 lakhs (December 31, 2017 : Rs. 11.68 lakhs, January 1, 2017 : Rs. 18.68 lakhs)

30 Related party transactions

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



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Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

(ii) Other Related Parties with whom transactions have taken place during the year:

(I) Fellow Subsidiaries:

- 1 Foseco (Thailand) Limited
- 2 Foseco Foundry (China) Company Limited
- 3 Foseco Golden Gate Company Limited, Taiwan
- 4 Foseco Industrial e-Commercial Ltda., Brazil
- 5 Foseco International Limited, United Kingdom
- 6 Foseco Japan Limited
- 7 Foseco Korea Limited
- 8 Foseco Nederland BV.
- 9 Foseco Philippines Inc.
- 10 PT Foseco Trading Indonesia
- 11 PT Foseco Indonesia
- 12 Vesuvius Australia Pty Ltd.
- 13 Vesuvius Emirates (FZE), Dubai
- 14 Vesuvius Foundry Technologies (Jiangsu) Company Limited, China
- 15 Vesuvius GmbH, Germany
- 16 Vesuvius Group SA, Belgium
- 17 Vesuvius India Limited
- 18 Vesuvius Italia S.P.A.
- 19 Vesuvius Malaysia Sdn. Bhd.
- 20 Vesuvius New Zealand Limited
- 21 Vesuvius Poland Sp. Z.o.o.
- 22 Vesuvius Ras Al Khaimah FZ-LLC, Dubai
- 23 Vesuvius UK Limited, United Kingdom
- 24 Vesuvius Inc., USA
- 25 Vesuvius Holdings Limited, United Kingdom
- 26 Foseco Española, S.A.
- 27 Foseco SMC Netherlands
- 28 Vesuvius LLC
- 29 Vesuvius Scandinavia AB

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

- 1 Mr. Pradeep Mallick - Director and Chairperson till April 24, 2018
- 2 Mr. Ajit Shah - Director
- 3 Mr. Indira Parikh - Director
- 4 Mr. Glenn Cowie - Director

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

- 5 Mr. Merryl Durrenbach - Director till October 26, 2018
- 6 Mr. Ravi Kirpalani - Director and Chairperson w.e.f October 26, 2018
- 7 Mr. Sanjay Mathur - Managing Director*
- 8 Mr. R Umesh - Chief Financial Officer*
- 9 Mr. Mahendra Kumar Dutia - Controller of Accounts and Company Secretary*

*(As per section 2 (51) of Companies Act, 2013)

(III) Post employment benefit plan of Foseco India Limited

- 1 Foseco India Limited Employees Gratuity Fund (Refer note 17 for contribution made)

30 Transactions with related parties held during the year

I

Name of the Party and nature of transaction	December 31, 2018	December 31, 2017
Immediate Holding Company		
(a) Foseco Overseas Limited		
Dividend paid	1,000.14	740.84
Parent of Immediate Holding Company		
(a) Foseco (U.K.) Limited.		
Dividend paid	145.95	108.11
Subsidiary of Ultimate Holding Company		
(a) Vesuvius Holdings Limited		
Dividend paid	146.90	108.81
Services received (including reimbursement of expenses)	27.14	-
Fellow subsidiaries		
(a) Foseco (Thailand) Limited		
Sale of goods	208.04	258.70
Services rendered (including reimbursement of expenses)	2.11	0.67
(b) Foseco Española, S.A.		
Purchase of raw materials	7.34	-
(c) Foseco Foundry (China) Company Limited		
Sale of goods	-	358.34
(d) Foseco Golden Gate Company Limited, Taiwan		
Sale of goods	0.31	-
(e) Foseco Industrial e-Commercial Ltda., Brazil		
Purchase of raw materials	2.00	2.14
Sale of goods	62.18	0.28

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

Name of the Party and nature of transaction	December 31, 2018	December 31, 2017
(f) Foseco International Limited, United Kingdom		
Royalty paid	1,545.60	1,535.88
Services rendered (including reimbursement of expenses)	304.41	286.67
(g) Foseco Japan Limited		
Purchase of raw materials	258.79	371.34
Services received (including reimbursement of expenses)	0.56	5.23
Sale of goods	2.78	0.51
(h) Foseco Korea Limited		
Sale of goods	78.73	78.38
Purchase of raw materials	-	0.67
(i) Foseco Nederland BV.		
Purchase of raw materials	40.86	46.30
(j) Foseco Philippines Inc.		
Sale of goods	3.09	3.81
(k) PT Foseco Trading Indonesia		
Sale of goods	276.84	305.69
Purchase of raw materials	1.50	-
Services rendered (including reimbursement of expenses)	4.54	-
(l) Vesuvius Australia Pty Ltd.		
Services received (including reimbursement of expenses)	1.75	1.65
(m) Vesuvius Emirates (FZE), Dubai		
Sale of goods	839.19	410.65
(n) Vesuvius Foundry Technologies (Jiangsu) Company Limited		
Sale of goods	406.77	63.53
(o) Vesuvius GmbH, Germany		
Purchase of raw materials	1,556.13	1,177.79
Services received (including reimbursement of expenses)	3.36	2.49
(p) Vesuvius Group SA, Belgium		
Consultancy Service Fees	605.24	565.56
Services received (including reimbursement of expenses)	48.18	48.82
Services rendered (including reimbursement of expenses)	61.14	-
(q) Vesuvius Inc., USA		
Purchase of raw materials	165.15	90.03
Services received (including reimbursement of expenses)	-	0.13

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

Name of the Party and nature of transaction	December 31, 2018	December 31, 2017
(r) Vesuvius India Limited		
Sale of goods	20.80	9.68
Services rendered (including reimbursement of expenses)	20.95	26.49
(s) Vesuvius Malaysia Sdn. Bhd.		
Purchase of raw materials	1.37	-
Sale of goods	149.00	172.78
Services rendered (including reimbursement of expenses)	12.68	12.14
(t) Vesuvius New Zealand Limited		
Sale of goods	0.48	1.11
(u) Vesuvius Poland Sp. Z.o.o.		
Purchase of raw materials	1.82	4.68
(v) Vesuvius Scandinavia AB		
Purchase of raw materials	2.39	-
(w) Vesuvius UK Limited, United Kingdom		
Purchase of raw materials	260.70	240.17
Services received (including reimbursement of expenses)	0.67	10.97
Sale of goods	-	17.89
(x) Vesuvius Ras Al Khaimah FZ-LLC, Dubai		
Purchase of raw materials	-	1.72
(y) PT Foseco Indonesia		
Sale of goods	-	149.67
Services rendered (including reimbursement of expenses)	-	4.00
(z) Vesuvius Italia S.P.A.		
Sale of goods	-	10.15
Key Management Personnel Compensation		
Remuneration paid including perquisites	414.62	315.44
Short term and Post employment benefits	37.34	18.82
Directors sitting fees	18.60	20.70
Commission paid	17.82	21.70
Total Key Management Personnel Compensation	488.38	376.66

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

II Summary of Related Party Transactions other than remuneration to KMP

For the Financial Year Ended December 31, 2018:

Nature of Transaction	Immediate Holding Company	Subsidiaries of Ultimate Parent Company	Fellow Subsidiaries	Total
Purchases of raw materials	-	-	2,298.06	2,298.06
Sale of goods	-	-	2,048.19	2,048.19
Dividend*	1,000.14	292.85	-	1,292.99
Royalty	-	-	1,545.60	1,545.60
Consultancy Service Fees	-	-	605.24	605.24
Services Rendered **	-	-	405.82	405.82
Services Received **	-	27.14	54.51	81.65
Total	1,000.14	319.99	6,957.43	8,277.56

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

** Including reimbursement of expenses

Summary of Related Party Transactions other than remuneration to KMP

For the Financial Year Ended December 31, 2017:

Nature of Transaction	Immediate Holding Company	Subsidiaries of Ultimate Parent Company	Fellow Subsidiaries	Total
Purchases of raw materials	-	-	1,934.84	1,934.84
Sale of goods	-	-	1,841.17	1,841.17
Dividend*	740.84	216.92	-	957.76
Royalty	-	-	1,535.88	1,535.88
Consultancy Service Fees	-	-	565.56	565.56
Services Rendered **	-	-	329.97	329.97
Services Received **	-	-	69.29	69.29
Total	740.84	216.92	6,276.71	7,234.47

* The above figure represents interim dividend paid during the year and final dividend for the previous year ended December 31, 2016.

** Including reimbursement of expenses

III Outstanding Balances from sale/ purchase of goods and services

Name of the Party and nature of balance	December 31, 2018	December 31, 2017	January 1, 2017
(i) Trade Receivables			
Foseco (Thailand) Limited	15.21	47.14	24.92
Foseco Foundry (China) Company Limited	-	-	56.59
Foseco Korea Limited	-	-	10.17

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

Name of the Party and nature of balance	December 31, 2018	December 31, 2017	January 1, 2017
Foseco Philippines Inc.	-	2.17	-
PT Foseco Indonesia	-	145.55	44.04
PT Foseco Trading Indonesia	27.65	48.31	-
Vesuvius Emirates (FZE), Dubai	265.67	285.34	132.12
Vesuvius Foundry Technologies (Jiangsu) Company Limited	65.66	57.81	-
Vesuvius India Limited	-	3.54	11.85
Vesuvius Malaysia Sdn. Bhd.	12.68	10.27	29.97
Vesuvius UK Limited, United Kingdom	-	16.21	-
Total	386.87	616.34	309.66
(ii) Other receivables			
Foseco (Thailand) Limited	-	0.35	-
Foseco International Limited	3.78	-	-
Vesuvius Group SA, Belgium	10.22	-	-
Vesuvius India Limited	-	3.54	11.85
Vesuvius Malaysia Sdn. Bhd.	-	-	1.34
Vesuvius UK Limited, United Kingdom	0.67	-	-
Total	14.67	3.89	13.19
(ii) Trade Payables			
Foseco (Thailand) Limited	2.57	-	-
Foseco Foundry (China) Company Limited	-	-	0.02
Foseco Industrial e-Commercial Ltda., Brazil	-	1.08	-
Foseco International Limited, United Kingdom	321.43	332.10	318.33
Foseco Japan Limited	41.04	35.57	215.51
Foseco Korea Limited	-	0.67	-
Foseco Nederland BV.	-	-	5.14
Foseco SMC Nederlands	3.99	6.75	-
PT Foseco Indonesia	-	-	0.92
Vesuvius GmbH, Germany	208.81	476.86	155.22
Vesuvius Group SA, Belgium	163.66	166.56	88.85
Vesuvius Inc., USA	15.01	34.62	38.65
Vesuvius India Limited	-	0.47	-
Vesuvius Poland Sp. Z.o.o.	-	1.32	6.22
Vesuvius UK Limited, United Kingdom	-	32.08	56.62
Total	756.51	1,088.08	885.48

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

IV Terms and conditions for outstanding balances

Transactions with related parties were made on normal commercial terms and conditions.

All outstanding balances are unsecured and payable in cash.

31 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.

The Company's revenue from geographical 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.

32 Fair value measurements

Financial instruments measured at amortised cost by category

	December 31, 2018	December 31, 2017	January 1, 2017
Financial assets			
Trade receivables	8,700.95	10,057.59	9,960.66
Receivable from related parties	14.67	3.89	13.19
Loans to employees	37.87	25.05	7.25
Security deposits	40.96	34.94	35.65
Cash and cash equivalents	9,239.08	7,175.59	2,116.05
Bank balances other than cash and cash equivalents	76.82	77.87	391.15
Interest accrued on fixed deposits	11.88	16.95	0.52
Total financial assets	18,122.23	17,391.88	12,524.47
Financial liabilities			
Borrowings	-	64.53	184.81
Trade payables	7,020.23	6,349.32	4,429.07
Security deposit	14.25	12.25	12.25
Unclaimed dividend	76.42	77.35	79.35
Accrued employee benefit obligations	610.30	414.13	174.15
Deposit for leasehold land	16.75	16.75	16.75
Dues to non-executive directors	17.82	21.70	21.70
Total financial liabilities	7,755.77	6,956.03	4,918.08

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

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.

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 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



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Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

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.

On account of adoption of Ind AS 109, 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:

	Amount
Provision for doubtful debts as on January 1, 2017	339.47
Additions during the year	88.98
Utilisation during the year	(40.31)
Provision for doubtful debts as on December 31, 2017	388.14
Additions during the year	179.42
Written back during the year	(49.38)
Utilisation during the year	(82.21)
Provision for doubtful debts as on December 31, 2018	435.97

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. To assure the solvency and financial flexibility, the Company retains a liquidity reserve through cash and cash equivalents and lines of credit.

(i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity group based on their contractual maturities for :

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

December 31, 2018	< 1 year	> 1 year
Trade payables	7,020.23	-
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	-
Security deposit	14.25	-
Total	7,569.01	186.76

December 31, 2017	< 1 year	> 1 year
Borrowings	64.53	-
Trade payables	6,349.32	-
Accrued employee benefit obligations	323.50	90.63
Deposit for leasehold land	-	16.75
Dues to Non-executive Directors	21.70	-
Unclaimed dividend	77.35	-
Security deposit	12.25	-
Total	6,848.65	107.38

January 1, 2017	< 1 year	> 1 year
Borrowings	120.28	64.53
Trade payables	4,429.07	-
Accrued employee benefit obligations	127.06	47.09
Deposit for leasehold land	-	16.75
Dues to Non-executive Directors	21.70	-
Unclaimed dividend	79.35	-
Security deposit	12.25	-
Total	4,789.71	128.37

(C) Market risk

Market risk comprises of foreign currency risk and interest rate risk

I) Foreign currency risk

The company is engaged in international trade and thereby exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR, 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 (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, 2018				December 31, 2017				January 1, 2017			
	USD	EUR	GBP	JPY	USD	EUR	GBP	JPY	USD	EUR	GBP	JPY
Financial assets												
Trade receivables	386.87	-	-	-	607.93	-	16.87	-	303.20	-	-	-
Other receivables	-	10.23	4.44	-	0.35	-	-	-	1.34	-	-	-
Exposure to foreign currency risk (assets) (A)	386.87	10.23	4.44	-	608.28	-	16.87	-	304.54	-	-	-
Financial liabilities												
Trade payables	268.84	361.12	-	41.04	262.79	636.14	30.83	34.57	114.03	292.05	58.09	222.41
Exposure to foreign currency risk (liabilities) (B)	268.84	361.12	-	41.04	262.79	636.14	30.83	34.57	114.03	292.05	58.09	222.41
Net foreign currency exposure (A) - (B)	118.03	(350.89)	4.44	(41.04)	345.49	(636.14)	(13.96)	(34.57)	190.51	(292.05)	(58.09)	(222.41)

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, 2018	December 31, 2017
USD sensitivity		
INR/USD - Increase by 5% (31 December 2017-5%)	5.90	17.27
INR/USD - Decrease by 5% (31 December 2017-5%)	(5.90)	(17.27)
EUR sensitivity		
INR/EUR - Increase by 5% (31 December 2017-5%)	(17.54)	(31.81)
INR/EUR - Decrease by 5% (31 December 2017-5%)	17.54	31.81
GBP sensitivity		
INR/GBP - Increase by 5% (31 December 2017-5%)	0.22	(0.70)
INR/GBP - Decrease by 5% (31 December 2017-5%)	(0.22)	0.70
JPY sensitivity		
INR/JPY - Increase by 5% (31 December 2017-5%)	(2.05)	(1.73)
INR/JPY - Decrease by 5% (31 December 2017-5%)	2.05	1.73

Foseco India Limited

Notes to the Financial Statements (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 December 31, 2017 and December 31, 2018.

b) Dividends

	December 31, 2018	December 31, 2017	January 1, 2017
(i) Equity shares			
Final dividend for the year ended December 31, 2017 : Rs. 12 (January 1, 2017 : Rs. 7) per fully paid share	766.38	447.05	-
Dividend Distribution tax on final dividend	156.02	91.01	-
Interim dividend for the year ended December 31, 2018 of Rs.15 (December 31, 2017 : Rs. 13, January 1, 2017 : Rs. 16) per fully paid share	957.97	830.24	1,021.83
Dividend Distribution tax on interim dividend	196.91	169.02	208.03
(ii) Dividends not recognised at the end of the reporting period			
The directors have recommended the payment of a final dividend of Rs.10 per fully paid equity share (December 31, 2017 - Rs. 12, January 1, 2017 : Rs. 7 per fully paid equity share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	638.65	766.38	447.05
Dividend Distribution tax thereon	130.02	156.02	91.01



Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

35 First-time adoption

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended December 31, 2018, the comparative information presented in these financial statements for the year ended December 31, 2017 and in the preparation of an opening Ind AS Balance Sheet as at January 1, 2017 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

I Exemptions availed

a) Government Loans

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for government loans as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and not to recognize the benefit of the loan so availed at a below market rate of interest as a government grant. Accordingly, the Company has elected to measure all of its government loans at their previous GAAP carrying value and has not recognized a government grant for the corresponding benefit.

a) Deemed cost - Property, plant and equipment (PPE), intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

II Exceptions applied

a) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at January 1, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

Reconciliation of total equity as at December 31, 2017 and January 1, 2017

	Description	Notes to first time adoption	As at December 31, 2017	As at January 1, 2017
	Total Equity as per previous GAAP		14,565.43	12,432.78
	Ind-AS Adjustments [Increase in Equity/ (Decrease in Equity)]			
i.	Proposed dividend	c)	-	538.06
	Total Ind-AS adjustments		-	538.06
	Total Equity as per Ind-AS		14,565.43	12,970.84

Reconciliation of total comprehensive income for the year ended December 31, 2017

	Description	Notes to first time adoption	Year ended December 31, 2017
	Net profit after tax under previous GAAP		3,131.91
	Ind AS adjustments [Increase in profits / (decrease in profits)]		
i.	Remeasurements of defined employee benefit plan-(gain)/loss	b)	39.00
iii.	Deferred tax on above	e)	(13.50)
	Total of adjustments		25.50
	Net Profit after tax as per Ind-AS		3,157.41
	Other Comprehensive Income		
i.	Remeasurements of defined employee benefit plan-gain/(loss)	b)	(39.00)
ii	Deferred tax on above	e)	13.50
	Total Other comprehensive income		(25.50)
	Total Comprehensive Income as per Ind-AS		3,131.91

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

Impact of Ind AS adoption on the statements of cash flows for the year ended December 31, 2017

	Previous GAAP	Adjustments	Ind AS
Net cash flows from operating activities	6,574.43	-	6,574.43
Net cash flows from investing activities	177.97	-	177.97
Net cash outflows from financing activities	(1,692.86)	-	(1,692.86)
Net increase/(decrease) in cash and cash equivalents	5,059.54		5,059.54
Cash and cash equivalents as at January 1, 2017	2,116.05	-	2,116.05
Cash and cash equivalents as at December 31, 2017	7,175.59	-	7,175.59

Note:

There is no change in cash and cash equivalents on account of adoption of Ind AS. Also, there is no impact of Ind AS on the Statement of Cash Flows.

Notes to first-time adoption

a) Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as a part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 December 2017 by Rs. 2,109.32 lakhs. There is no impact on the total equity and profit.

b) Remeasurements of defined employee benefit plan

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended December 31, 2017 decreased by Rs. 12.90 lakhs. There is no impact on the total equity as at December 31, 2017.

c) Proposed dividend

Under the previous GAAP up to December 31, 2016, final dividend proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed final dividend was recognised as a liability. Under Ind AS, such dividends are recognised after it is approved by shareholders in the general meeting. Accordingly, the liability for proposed dividend (including tax thereon) of Rs. Nil as at December 31, 2017 (January 1, 2017 : Rs. 538.06 lakhs) included under short term provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Foseco India Limited

Notes to the Financial Statements (continued)

(All amounts in INR lakhs, unless otherwise stated)

d) Other comprehensive income

Under Ind AS, all items of income and expenses recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expenses that are not recognized in profit or loss but are shown in statement of profit or loss as 'Other Comprehensive Income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

e) Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

36 Expenditure on research and development during the year

Revenue expenditure incurred on in-house Research and Development activities Rs. 90.61 lakhs (December 31, 2017: Rs. 69.15 lakhs).

Capital expenditure in relation to acquisition of property plant and equipment incurred on in-house research and development activities is Rs. 46.05 lakhs (December 31, 2017: Nil)

37 Previous GAAP figures have been reclassified / regrouped to conform to the presentation requirements under Ind AS and the requirements laid down in Division II to the Schedule III of the Companies Act, 2013.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/ N500016
Chartered Accountants

Amit Borkar

Partner
Membership No.: 109846

For and on behalf of the Board of Directors of

Foseco India Limited

Corporate Identification No. (CIN) : L24294PN1958PLC011052

Ravi Moti Kirpalani

Chairman
DIN : 02613688

Ajit Shah

Director
DIN : 02396765

Sanjay Mathur

Managing Director
DIN : 00029858

Indira Parikh

Director
DIN : 00143801

Glenn Cowie

Director
DIN : 07163534

R Umesh

Chief Financial Officer

Mahendra Dutia

Controller of Accounts and Company Secretary

Place : Pune

Date : January 25, 2019

Place : Pune

Date : January 25, 2019



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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.fosecoindia.com, E-mail ID: investor.grievance@vesuvius.com
Corporate Identity Number: **L24294PN1958PLC011052**

Proxy Form

(FORM NO. MGT - 11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the Member(s):

Registered address

E-mail ID: Folio No./Client ID: DP ID:

I / We being the Member(s) of shares of Foseco India Limited, hereby appoint:

1) Name:

Address:

having E-mail id Signature or failing him/her

2) Name:

Address:

having E-mail id Signature or failing him/her

3) Name:

Address:

having E-mail id Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 62nd Annual General Meeting of the Company to be held on Friday, 26 April 2019 at 1200 Hours (IST) at the Registered Office of the Company, at Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur, District Pune 412 208. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Subject Matter of the Resolution
1.	Adoption of the Audited Annual Accounts for the year ended 31 December 2018 together with the Reports of the Board of Directors and the Auditors thereon
2.	Confirmation of payment of Interim Dividends and declaration of Final Dividend on Equity Shares
3.	Appointment of Glenn Allan Cowie as a Director of the Company who retires by rotation
4.	Ratification of the appointment of the Statutory Auditors and to fix their remuneration
5.	Re-appointment of Ajit Shah as an Independent Director of the Company
6.	Appointment of Ravi Moti Kirpalani as an Independent Director of the Company
7.	Appointment of Guy Franklin Young as a Director of the Company
8.	Re-appointment of Sanjay Mathur as the Managing Director of the Company
9.	Ratification of the remuneration payable to the Cost Auditor for the financial year ending on 31 December 2019
10.	Adoption of the new Articles of Association
11.	Approval of the Existing Material Related Party Contract and Material Related Party Transaction

Signed this day of April 2019

Notes:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstained' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
3. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting right, then such proxy shall not act as a proxy for any other person or Member.
4. A Proxy need not be a member of the Company.

Affix a One
Rupee
Revenue
Stamp

Signature of the Shareholder

Financial Highlights



(₹ in Lakhs)

Years	2014	2015	2016	2017	2018
Operating Results					
Sales & Other Income	26,673.01	29,402.49	34,159.94	36,012.51	36,608.91
Total Expenses	22,416.65	24,145.44	28,480.95	30,665.08	31,251.39
EBITDA	4,256.36	5,257.05	5,678.99	5,347.43	5,357.52
Interest	17.42	12.20	41.52	35.26	20.87
Depreciation	465.40	454.00	505.20	534.13	453.90
Profit before Taxation and Extraordinary Item	3,773.54	4,790.85	5,132.27	4,778.04	4,882.75
Extraordinary Items	-	-	-	-	-
Tax Expense	1,314.52	1,617.96	1,824.10	1,646.13	1,760.10
Profit after Taxation	2,459.02	3,172.89	3,308.17	3,131.91	3,122.65
Sources and Application of Funds					
Share Capital	638.65	638.65	638.65	638.65	638.65
Reserves	9,148.58	10,253.88	11,794.13	13,926.78	14,972.15
Shareholders Funds	9,787.23	10,892.53	12,432.78	14,565.43	15,610.80
Deferred Tax Liability (Net)	-	-	-	-	-
Loan Funds / Non Current Liabilities	598.58	294.19	152.21	127.73	233.97
Current Liabilities	4,805.37	5,091.98	5,710.90	7,401.26	8,001.08
Total Sources	15,191.18	16,278.70	18,295.89	22,094.42	23,845.85
Net Fixed Assets	2,610.87	2,718.10	2,593.94	2,392.75	2,565.99
Investments	2.92	-	-	-	-
Deferred Tax Assets (Net)	155.48	140.65	180.79	223.27	305.13
Long Term Loans and Advances	683.29	983.70	750.61	388.31	715.14
Net Current Assets	11,682.31	12,436.25	14,770.55	19,090.09	20,259.59
Total Application	15,134.87	16,278.70	18,295.89	22,094.42	23,845.85
Debt Equity Ratio	0.06	0.03	0.01	0.01	0.01
Earning per Share (Rs.)	38.50	49.68	51.80	49.04	48.89
Dividend per Share (Rs.)					
- Regular	21.00	26.50	23.00	23.00	25.00



FOSECO INDIA LIMITED

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