

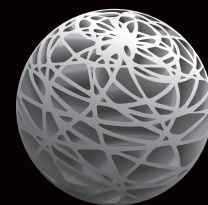


Scrip Code - a) BSE 500150, b) NSE FOSECOIND

**FORM A**

**Format of covering letter of the Annual Audit Report to be filed with the stock exchanges**

1.	Name of the Company	<b>Foseco India Limited</b>
2.	Annual financial statements for the year ended	<b>31 December, 2014</b>
3.	Type of Audit observation	<b>Un-qualified</b>
4.	Frequency of observation	<b>Not Applicable</b>
5.	To be signed by-	
	<input type="checkbox"/> Managing Director - Sanjay Mathur  <p style="text-align: center;"><b>For FOSECO INDIA LIMITED.</b></p> <p style="text-align: center;"><i>Sanjay Mathur</i></p> <p style="text-align: center;"><b>Sanjay Mathur</b> <b>Managing Director</b></p>	<input type="checkbox"/> CFO – R. Umesh  <p style="text-align: center;"><b>For FOSECO INDIA LIMITED</b></p> <p style="text-align: center;"><i>R Umesh</i></p> <p style="text-align: center;"><b>R. UMESH</b> <b>CHIEF FINANCIAL OFFICER</b></p>
	<input type="checkbox"/> Audit Committee Chairman – Ajit Shah <p style="text-align: center;"><b>For Foseco India Limited</b></p> <p style="text-align: center;"><i>Ajit Shah</i></p> <p style="text-align: center;"><b>Ajit Shah</b> <b>Audit Committee Chairman</b></p>	<input type="checkbox"/> Statutory Auditor of the Company – Vijay Mathur  <div style="text-align: center;"> </div>



## Foseco India Limited

### 58th Annual Report 2014

**Our Esteemed Customers**

**Quality, Reliability & Solutions**

**Solutions Partner to the Expert Foundryman**

# Company Information

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## Board of Directors

**Pradeep Mallick**, Chairman

**Sanjay Mathur**, CEO & Managing Director

**Ajit Shah**, Director

**Merryl Durrenbach**, Director

**Indira Parikh**, Director

**R Umesh**, CFO & Compliance Officer

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

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## Audit Committee

**Ajit Shah**, Chairman

**Pradeep Mallick**, Member

**Merryl Durrenbach**, Member

**Indira Parikh**, Member

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## Stakeholders Relationship Committee

**Pradeep Mallick**, Chairman

**Ajit Shah**, Member

**Indira Parikh**, Member

**Merryl Durrenbach**, Member

**Sanjay Mathur**, Member

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## Nomination & Remuneration Committee

**Ajit Shah**, Chairman

**Pradeep Mallick**, Member

**Indira Parikh**, Member

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## Corporate Social Responsibility Committee

**Indira Parikh**, Chairman

**Ajit Shah**, Member

**Sanjay Mathur**, Member

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## Registered Office

Gat Nos. 922 & 923,  
Sanaswadi, Taluka Shirur,  
District Pune 412 208  
Tel.: +91 2137 668100  
Fax: +91 2137 668360

**Website : [www.fosecoindia.com](http://www.fosecoindia.com)**

**CIN : L24294PN1958PLC011052**

## Factories

- Sanaswadi, Pune
- Puducherry

## Statutory Auditors

- B S R and Associates LLP

## Bankers

- Standard Chartered Bank
- ICICI Bank Ltd.
- IDBI Bank Ltd.
- HDFC Bank Ltd.
- State Bank of India
- UCO Bank

## Registrars and Transfer Agents

- **Link Intime India Private Limited**

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

Tel.: 020 2616 0084/1629

Fax : 020 2616 3503

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

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

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## Foseco India Limited

Registered Office: Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur,  
District Pune – 412208  
Tele: +91 (0)2137 668100, Fax: +91 (0)2137 668160,  
Website: [www.fosecoindia.com](http://www.fosecoindia.com)  
Corporate Identity Number: L24294PN1958PLC011052

## Notice to the Shareholders

**NOTICE IS HEREBY GIVEN** that the **FIFTY EIGHTH Annual General Meeting** of the Members of **Foseco India Limited** will be held on Friday, 27 March, 2015 at 1200 Hrs. (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 2014, 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 declare a final dividend on the Equity Shares for the financial year ended 31 December 2014.
3. To appoint the Statutory Auditors and to fix their remuneration and in this connection to consider and if thought fit, to pass, with or without modification, 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 other applicable rules, if any, B S R & Associates LLP (ICAI Firm Registration Number: 116231W / W-100024), Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company, in place of B S R and Co. (ICAI Firm Registration Number: 128510W), Chartered Accountants, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Sixtieth (60th) AGM of the Company to be held in the year 2017 (subject to ratification of their appointment by the Members at every AGM held after this AGM) at such remuneration plus service tax, out of pocket and travelling expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors based on the recommendation of the Audit Committee."

### SPECIAL BUSINESS:

#### 4. Appointment of Merryl France Durrenbach as a Director of the Company

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

"RESOLVED THAT **Merryl France Durrenbach (DIN: 06920690)**, who was appointed as an Additional Director of the Company with effect from 21 July, 2014 by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 ("the Act") and who holds office as such up to the date of this Annual General Meeting has submitted a declaration that she is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

#### 5. Appointment of Indira Parikh 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, 150, 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 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Indira Parikh (DIN: 00143801)**, who was appointed as an Additional Director of the Company with effect from 21 July, 2014 pursuant to Section 161 of the Act, and who holds office as such up to the date of this Annual General Meeting has submitted declarations that she is eligible for appointment and that she meets the criteria of independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges and that she has given a notice in writing under Section 160 of the Act to the Company, proposing herself as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term commencing from 27 March, 2015 and ending on the date of the Annual General Meeting to be held in the year 2019."

#### 6. Appointment of Pradeep Mallick 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, 150, 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 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Pradeep Mallick (DIN: 00061256)**, Director of the Company who retires by rotation at 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 Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges and that he has given a notice in writing under Section 160 of the Act to the Company, proposing himself as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term commencing from 27 March, 2015 and ending on the date of the Annual General Meeting to be held in the year 2018."

## 7. 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 an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 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 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Ajit Shah (DIN: 02396765)**, Director of the Company who retires by rotation at 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 Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges and that he has given a notice in writing under Section 160 of the Act to the Company, proposing himself as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a term commencing from 27 March, 2015 and ending on the date of the Annual General Meeting to be held in the year 2019."

## 8. Payment of commission to Non Whole time Directors of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) a sum not exceeding one percent (1%) per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, be paid to and distributed amongst the Directors of the Company, or some or any of them (other than the Managing Director, Executive Directors and foreign Foseco-nominated Directors), in such amounts or proportions, as may be determined by the Board of Directors and in default of such determination equally such payments shall be made in respect of the profits of the Company for each year, for a period of five years, commencing from 1 January, 2015 and ending on 31 December, 2019."

"RESOLVED FURTHER THAT the payment or distribution of commission, as the case may be, will be in addition to the sitting fees paid for attending the Board / Committee Meetings of the Company."

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

## 9. Increase in the ceiling of remuneration payable to the Managing Director

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

"RESOLVED THAT in supersession of the resolution passed by the Shareholders of the Company at the Annual General Meeting held on 22 April 2014, pursuant to the provisions contained in Section 197 and 198 of the Companies Act, 2013, the ceiling of the maximum remuneration approved to be payable to the Managing Director, which includes basic salary, personal allowance and annual bonus be increased from the present level of Rs. 2,00,00,000/- per annum to Rs. 3,00,00,000/- per annum, subject to the approval of the Central Government, if necessary."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized and empowered to alter, vary or modify the limits within the maximum remuneration of Rs. 3,00,00,000/- per annum, without any further approval of the Company in a General Meeting."

## 10. Approval of the remuneration payable to the Cost Auditor for the year 2014

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 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded for the payment of remuneration of Rs. 3,50,000/- (Rupees Three Lac Fifty Thousand only) plus Service Tax at the applicable rates and reimbursement of out of pocket expenses to Joshi Apte & Associates, Cost Accountants, Pune (Firm Registration No. : 000240) appointed by the Board of Directors of the Company, for conducting the audit of the cost records of the Company for the financial year ended 31 December, 2014".

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

## 11. Approval of the remuneration payable to the Cost Auditor for the year 2015

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 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded for the payment of remuneration of Rs. 3,50,000/- (Rupees Three Lac Fifty Thousand only)

plus Service Tax at the applicable rates and reimbursement of out of pocket expenses to Joshi Apte & Associates, Cost Accountants, Pune (Firm Registration No. : 000240) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending on 31 December, 2015".

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

#### 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 the Rules framed thereunder, 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 or, if the appointer is a body corporate, the proxy form should be signed by an officer of the Company under his/her official seal or an attorney duly authorised by him/her.
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. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 21 March, 2015 to Friday, 27 March, 2015 (both days inclusive) in terms of the provision of Section 91 of the Companies Act, 2013, for determining the entitlement of the shareholders to the payment of dividend, if declared at the Meeting.
9. The final dividend, if declared at the AGM, shall be paid/credited on or before 25 April, 2015 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, 20 March, 2015; 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, 20 March, 2015.
10. Members holding shares in physical form are requested to intimate any change in address, change of name, bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, e-mail address, contact numbers, etc., to the Company's Registrar & Transfer Agents, Link Intime India Pvt. Ltd., at Block 202, 2nd Floor, Akshay Complex, Off Dhule 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 shares in dematerialised form are requested to intimate such changes to their respective depository participants.
11. 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 RTA. Members holding shares in electronic mode may contact their respective Depository Participant (DP) for availing this facility.
12. **TRANSFER OF UNCLAIMED/UNPAID DIVIDENDS TO 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 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.
13. In line with the Green Initiative of the Ministry of Corporate Affairs, hard copy of the Annual Report containing the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement etc. will be sent to those shareholders who have not registered their e-mail addresses. Shareholders who have registered their e-mail addresses will be sent the soft copies by e-mail. However, a shareholder continues to retain the right to request the Company for a hard copy of the Report.
14. To ensure that shareholders' queries are answered in full, shareholders are requested to write to the Company at an early date at the e-mail ID **mahendra.dutia@foseco.com**.
15. Relevant documents referred to in the accompanying Notice and the explanatory statement, the Statutory Registers, the Audited Financial

Statements, the Directors' Report and the Auditor's Report, will remain open for inspection at the Registered Office of the Company on all working days between 09:00 am to 5:00 pm. excluding Saturdays, Sundays and public holidays upto the date of the AGM. The Audited Financial Statements, the Directors' Report and the Auditor's Report will be placed on the Company's website on **www.fosecoindia.com**

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

#### 17. 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 and Clause 35B of the Listing Agreement, the Company is pleased to provide its Members facility to exercise their right to vote at the 58th Annual General Meeting (AGM) by electronic means and the items of business as detailed in this Notice may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL):

#### The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 19 March, 2015 at 9.00 am and ends on 21 March, 2015 at 6.00 pm. During this period, Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **13 February, 2015** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website **www.evotingindia.com** during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your 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) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN <b>Field</b>.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If 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 (v).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login 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 for "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 will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) 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 **<https://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](mailto: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 should be mailed to **[helpdesk.evoting@cdslindia.com](mailto: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) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **[www.evotingindia.com](http://www.evotingindia.com)** under help section or write an email to **[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)**.

- II. Please note that the Members who have exercised their right to vote by electronic means shall not be eligible to vote by way of poll at the Meeting. If a Member casts vote by both the modes, then votes cast through e-voting shall prevail and voting at the Meeting will be treated invalid. 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 **13 February 2015**.
- III. The poll process shall be conducted and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting shall be counted for the purpose of passing of resolution(s).
- IV. The Company has appointed Grishma Khandwala, Practising Company Secretary (Membership No. ACS 6515 CP No. 1500), as the Scrutinizer, to scrutinize the e-voting process, in a fair and transparent manner.
- V. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VI. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 58th Annual General Meeting of the Company scheduled to be held on Friday, 27 March, 2015. At the said Annual General Meeting, the Chairman shall declare the results of voting on the Resolutions set out in the Notice. The results declared along with the Scrutinizer's Report shall be placed on the Company's website **[www.fosecoindia.com](http://www.fosecoindia.com)** and on the website of CDSL, within two days of the passing of the resolutions at the AGM of the Company and shall also be communicated to the Stock Exchanges.

**Registered Office :**

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

**Date: 24 February, 2015**

By Order of the Board of Directors

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

# 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 Statements set out all material facts relating to the business mentioned under Item Nos. 3 to 11 of the accompanying Notice.

### Item No. 3

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

B S R and Co (Firm Registration Number: 128510W) were appointed as Statutory Auditors of the Company at the 57th Annual General Meeting held on 22 April, 2014. B S R and Co., has been the Statutory Auditor of the Company since April 2008 and has completed a term of 7 years. As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an audit firm as an Auditor for more than two terms of five consecutive years.

However, in view of the internal process of re-alignment at the Statutory Auditors' firms, B S R & Associates LLP, (Firm registration number: 116231W/ W100024), Chartered Accountants, Pune replaces B S R and Co., as Statutory Auditors of the Company.

B S R & Associates LLP (Firm registration number: 116231W/ W100024), has furnished certificate expressing their willingness to be appointed as the Statutory Auditors and that their appointment, if made, at the ensuing Annual General Meeting would be in accordance with the conditions laid down under the Act and Rule 4 of Companies (Audit and Auditors) Rules, 2014.

In view of the above, B S R & Associates LLP (Firm registration number: 116231W/ W100024), being eligible for appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its Meeting held on 28 January 2015, proposed the appointment of B S R & Associates LLP, as the Statutory Auditors of the Company for a period of 2 years to hold office from the conclusion of this Annual General Meeting until the conclusion of 60th Annual General Meeting to be held in the year 2017, (subject to ratification of their appointment by the Members at every AGM).

The Board recommends the Resolution as set out at Item No. 3 for approval by the Members to be passed as an **Ordinary Resolution**.

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

### Item No. 4

Merryl France Durrenbach, aged 40 years, is a Non-Executive Director on the Board of the Company, who was appointed as an Additional Director of the Company on 21 July, 2014. Her term of office will conclude on the date of the ensuing Annual General Meeting. The Company has received a Notice in writing along with a deposit of Rs. 1 Lac, under Section 160 of the Act, from Foseco Overseas Limited, a Member of the Company, who has nominated her as a Director on the Board of the Company, proposing her candidature for the office, liable to retire by rotation.

Merryl France Durrenbach is a French National. She has an experience of 14 years as an external / internal audit and risk assurance gained in the Automotive, Oil & Gas, Plastic & Paper Packaging and Services. In her previous role, Merryl set-up and developed from a zero base a strong internal audit team, and established robust audit processes globally, supporting all areas of the business to deliver improvements and mitigate risks. That audit team was recognised as one of the best for UK public companies. Merryl graduated from the Paris Institute Superior of Management with a Masters degree in Finance & Management. She is head of Internal Audit for Vesuvius plc.

Merryl France Durrenbach does not hold Directorship in any other public Company in India except Foseco India Limited. Merryl is a Member of the Board's Audit Committee and the Stakeholders' Relationship Committee of the Board of the Company.

She has submitted a declaration that she is not disqualified to become a Director as provided in Section 152(5) of the Act and that she is eligible for appointment.

She does not hold any shares in the Company.

The Board recommends the Resolution as set out at Item No. 4 for approval by the Members to be passed as an **Ordinary Resolution**.

None of the Directors, Manager or any other key managerial personnel or any of their relatives, except Merryl Durrenbach, in her capacity of being a Director, is concerned or interested, whether financially or otherwise, in this Resolution.

### Item No. 5, 6 and 7

In accordance with Article 137 of the Articles of Association of your Company, Indira Parikh, aged 71 years, was appointed as an Additional Independent Director on the Board of Foseco India Limited on 21 July 2014. In terms of Section 149, 152 and 161 of the Companies Act, 2013 (the Act) read with the relevant Rules, she holds office as an Additional Director upto the date of the ensuing Annual General Meeting and being eligible, offers herself for appointment as a Director. Indira Parikh will be appointed as a Non-Executive Independent Director on the Board of the Company pursuant to the provision of Section 149 of the Act read with the relevant Rules and Clause 49 of the Listing Agreement.

Pradeep Mallick and Ajit Shah, Non-Executive Independent Directors, on the Board are liable to retire by rotation. In view of the provisions of Sections 149 and 152 and other applicable provisions read with the Schedule IV of the Companies Act, 2013, the appointment of these Directors is now being placed before the Members for their approval for a term commencing from 27 March, 2015 and ending on the date of the Annual General Meeting to be held in the years 2018 and 2019 respectively.

The Company policy requires that Board Members retire at the AGM following their 75th birthday. In such cases, the tenure of the Independent Directors will conclude at the AGM following their 75th birthday even if it falls before the end of their 5 years tenure.

The Board of Directors (excluding the Director being evaluated) had, in their Meeting held on 27 January, 2015 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.

The Company has received declarations from Indira Parikh, Pradeep Mallick and Ajit Shah that they are eligible for appointment and that they meet the criteria for independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement(s) entered with the Stock Exchanges. They have individually given Notice in writing, to the Company, on their own behalf, along with a deposit of Rs. 1 Lac each, under Section 160 of the Act to the Company, proposing their respective candidature for the office of Director, not liable to retire by rotation.

In the opinion of the Board, each of these Directors fulfils the conditions specified in the Act and the rules framed thereunder for appointment as Independent Directors and they are Independent of the Management. The Board also considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of all of them as Independent Directors on the Board of the Company and not liable to retire by rotation.

The Copy of the draft letter for 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 and Sundays. They are also posted on Company's website - [www.fosecointia.com](http://www.fosecointia.com).

Brief Profiles alongwith other details of said Directors are provided in the Report on Corporate Governance forming part of the Annual Report.

None of the above Directors are holding any Equity Shares of the Company.

Accordingly, the Board recommends the Resolutions Set out in Item Nos. 5 to 7 of the Notice for the approval by the Members of the Company as an **Ordinary Resolutions**.

Save and except, Indira Parikh, Pradeep Mallick and Ajit Shah being appointees to their respective reappointments, 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**

Members may recall that at the 57th Annual General Meeting of the Company held on 22 April, 2014, they had approved of the payment of commission not exceeding one percent of the net profits computed in the manner laid down in Sections 349 and 350 of the Companies Act, 1956 to the Independent Directors of the Company (other than the Managing Director, Executive Directors and foreign Foseco-nominated Directors) for the period of 5 years from 1 January, 2014 to 31 December 2018.

Due to the coming into effect of the Companies Act, 2013, it is proposed to continue with the payment of commission to the Independent Directors in terms of the provisions of Section 197 and 198 for the period of 5 years starting from 1 January, 2015 to 31 December 2019, and pass a resolution under the said Act, as a **Special Resolution**.

None of the Directors, Manager or any other key managerial personnel or any of their relatives, other than the Independent Directors, in their capacity of being the Director(s), is / are concerned or interested, whether financially or otherwise, in this Resolution.

#### **Item No. 9**

At the 56th Annual General Meeting of the Company held on 22 April, 2013, Sanjay Mathur was re-appointed as a Managing Director for a period of 3 years from 1 April, 2013 to 31 March, 2016 and the maximum limit of remuneration package which included basic salary, personal allowance and annual bonus payable was fixed at Rs. 2,00,00,000/- per annum. The Board of Directors have reviewed his performance and are of the opinion to increase the ceiling of the remuneration payable to him which included basic salary, personal allowance and annual bonus payable to Rs. 3,00,00,000/- per annum. Authority of the shareholders be given to the Board to revise his salary from time to time up to the maximum limit of Rs. 3,00,00,000/- per annum.

Brief Profile of Sanjay Mathur, aged 50 years, is provided in the Report on Corporate Governance forming part of the Annual Report.

Sanjay Mathur does not hold any Equity Shares in the Company.

The Board of Directors recommends the Resolution as an **Ordinary Resolution** to the Shareholders of the Company for passing, subject to Central Government's permission, if required, as laid down in special business item no. 9.

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. 10 and 11

The Board, 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 ended 31 December, 2014 and 31 December 2015, at a remuneration of Rs. 3,50,000/- (Rupees Three Lac Fifty Thousand only) plus Service Tax at the applicable rates and reimbursement of out of pocket expenses for each of the years.

Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, requires that the remuneration payable to the Cost Auditor, be approved by the Members of the Company.

Accordingly, the Board recommends the **Ordinary Resolution** as set out at Item No. 10 and 11 of the Notice for approval by the Members, of the remuneration payable to the Cost Auditor for the financial year ended 31 December, 2014 and 31 December, 2015.

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

#### Registered Office :

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

By Order of the Board of Directors

**Mahendra Kumar Dutia**

Controller of Accounts &  
Company Secretary

**Date: 24 February, 2015**

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

Particulars	Merryl France Durrenbach	Indira Parikh
Date of Birth	17 April, 1974	29 August, 1943
Date of Appointment	21 July, 2014	21 July, 2014
Qualifications	<ul style="list-style-type: none"> <li>Masters Degree in Finance &amp; Management from the Paris Institute Superior of Management, Paris</li> </ul>	<ul style="list-style-type: none"> <li>M.Ed. from University of Rochester, New York, USA</li> <li>Doctorate from Gujarat University</li> </ul>
Expertise in specific functional areas	<p>Extensive experience as an external / internal auditor and risk assurance in the Automotive, Oil &amp; Gas, Plastic &amp; Paper Packaging and Services sector.</p> <p>Head of the Internal Audit function for Vesuvius plc.</p>	<p>Specialist in organization development, design and institution building.</p> <p>Conducting management and leadership development programs in public sector, private sector and multinational organizations.</p> <p>The Founder President of FLAME, being involved in creating the academic vision.</p> <p>Conceptualized the Centre for Organizational Growth and Excellence (COGE) with its focus on thresholds of life, lifelong learning, development and growth.</p>
Directorship held in other public Companies (excluding Foseco India Limited, Foreign Companies, Section 25 Companies, Private Limited Companies and Companies where he/she is an Alternate Director)	Nil	<ul style="list-style-type: none"> <li>Amanta Healthcare Limited (unlisted company)</li> <li>Zyduz Wellness Limited</li> <li>Anil Limited</li> <li>Sintex Industries Limited</li> <li>Force Motors Limited</li> <li>Hitachi Home &amp; Life Solutions (India) Limited</li> <li>Deepak Nitrite Limited</li> </ul>

Particulars	<b>Merryl France Durrenbach</b>	<b>Indira Parikh</b>
Memberships / Chairmanships of Committees of all public Companies (includes only Audit Committee and Stakeholders' Relationship Committee)	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• Foseco India Limited</li> </ul> <b>Stakeholders' Relationship Committee</b> <ul style="list-style-type: none"> <li>• Foseco India Limited</li> </ul>	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• Zyduz Wellness Limited</li> <li>• Sintex Industries Limited</li> <li>• Force Motors Limited</li> <li>• Foseco India Limited</li> </ul> <b>Stakeholders' Relationship Committee</b> <ul style="list-style-type: none"> <li>• Force Motors Limited</li> <li>• Foseco India Limited</li> </ul>
Number of Shares held in the Company	Nil	Nil
Relationship with any Director(s) of the Company	No	No

Particulars	<b>Pradeep Mallick</b>	<b>Ajit Shah</b>
Date of Birth	20 November, 1942	11 October, 1946
Date of Appointment	21 October, 2011	17 October, 2013
Qualifications	<ul style="list-style-type: none"> <li>• Graduate Electrical Engineer, B.Tech from IIT Madras</li> <li>• Chartered Engineer of the Fellow of the Institution of Engineering &amp; Technology (FIET), London</li> <li>• Diploma in Business Management from UK.</li> </ul>	<ul style="list-style-type: none"> <li>• Fellow Member of the Institute of Chartered Accountants of India</li> <li>• Senior Partner at M. A. Parikh &amp; Co., a firm of Chartered Accountants at Mumbai.</li> </ul>
Expertise in specific functional areas	<p>Worked extensively in the field of Power Distribution &amp; Power Transmission, managing large turnkey projects in India, Gulf, West Asia and North Africa.</p> <p>A Strategic Adviser cum Sounding Board to CEOs and an Executive Coach / Mentor to Corporate Executives, focusing on Leadership Development.</p>	<p>Specialisation in the field of Audits and Assurances, domestic and inter-national transfer pricing, valuation and consultancy in the field of finance and taxation.</p> <p>Associated as consultant with well-known multinational groups like Merck, Germany, WPP Group, UK, American President Lines, Singapore, Mitsui OKS Lines, Japan and certain Tata group Companies;</p>
Directorship held in other public Companies (excluding Foseco India Limited, Foreign Companies, Section 25 Companies, Private Limited Companies and Companies where he/she is an Alternate Director)	<ul style="list-style-type: none"> <li>• Automotive Stampings and Assemblies Limited</li> <li>• Gujarat Pipavav Port Limited</li> <li>• Blue Star Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Mount Everest Mineral Water Limited</li> </ul>
Memberships / Chairmanships of Committees of all public Companies (includes only Audit Committee and Stakeholders' Relationship Committee)	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• Automotive Stampings and Assemblies Limited</li> <li>• Gujarat Pipavav Port Limited</li> <li>• Blue Star Limited</li> <li>• Foseco India Limited</li> </ul> <b>Stakeholders' Relationship Committee</b> <ul style="list-style-type: none"> <li>• Gujarat Pipavav Port Limited</li> <li>• Foseco India Limited</li> </ul>	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• Mount Everest Mineral Water Limited</li> <li>• Foseco India Limited</li> </ul> <b>Stakeholders' Relationship Committee</b> <ul style="list-style-type: none"> <li>• Foseco India Limited</li> </ul>
Number of Shares held in the Company	Nil	Nil
Relationship with any Director(s) of the Company	No	No

## Directors' Report

Your Directors are pleased to present the Company's **58th Annual Report** and the audited accounts for the year ended **31 December 2014**. This Directors' Report has been prepared and presented in accordance with Section 217 of the Companies Act, 1956 in terms of the General Circular no. 08/2014 dated 4 April, 2014, as the Company's Financial Year commenced prior to 1 April, 2014. However, reference has been made in this Report, to the Companies Act, 2013 to such matters which are same / similar to the Companies Act, 1956 and which are relevant to this Report.

### 1. PERFORMANCE REVIEW

The year 2014 saw India getting adversely impacted by the weakening global economic scenario. The Indian economic growth remained weak in Q1/2014 with GDP growing at 4.6%, similar to Q1/2013, in view of decision paralysis due to impending General Elections. Q2/2014 witnessed a surge in the feel good factor with the new Government in power, which reflected in higher GDP growth of 5.7%. The performance for the rest of the year was not aligned with the expectations and Q3/2014 GDP growth fell to 5.3%. The GDP growth was aided by improved performance of agriculture and services, whilst manufacturing and mining continued to report subdued performance as explained by the Index of Industrial Production. Inflation started easing during second half of the year on account of reducing demand and monetary control by RBI. The foundry industry segment was also affected by low demand and excess capacity which made it difficult to pass on the increase in input costs to the Original Equipment Manufacturers. Exchange rate remained stable for most part of the year losing around 3% in the second half of the year due to strengthening of the Dollar against all major currencies. Liquidity in money market and higher interest cost also affected the performance of Foundry Industry.

Your Directors would like to inform that despite weak market conditions during the year under review, your Company achieved a revenue of Rs. 28,678.25 Lacs, up 14.6% from Rs. 25,022.06 Lacs in 2013. Profit before Tax was Rs. 3,773.53 Lacs, up 39.1% from Rs. 2,713.53 Lacs in 2013 and the Profit after Tax was Rs. 2,459.01 Lacs, up 38% from Rs. 1,782.05 Lacs in 2013.

### 2. DIVIDEND & APPROPRIATIONS

Your Directors declared three Interim Dividends during the financial year ended 31 December, 2014, totalling Rs. 11/- per Equity Share (110%) on the Equity Share face value of Rs. 10/- each viz., 10% First Interim Dividend in April 2014, 40% Second Interim Dividend in July 2014 and 60% Third Interim Dividend in November 2014 aggregating to Rs. 702.52 Lacs (exclusive of tax on dividend).

Your Directors are pleased to recommend payment of a Final Dividend of Rs. 10/- per Equity Share (100%) of the face value of Rs. 10/- each aggregating to Rs. 638.65 Lacs (exclusive of tax on dividend) for your consideration.

The total of the Interim and Proposed Final Dividends for the financial year ended 31 December, 2014 is Rs. 21/- per Equity Share (210%).

An amount of Rs. 245.90 Lacs (previous year: Rs. 178.21 Lacs) has been credited to General Reserves during the year.

### 3. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled Report on Corporate Governance has been included in this Annual Report. Your Directors are pleased to report that as on 31 December 2014, your Company is fully compliant with the SEBI Guidelines on Corporate Governance.

### 4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, annexed to this Directors' Report, provides a more detailed review of the operating performance.

### 5. SUBSIDIARIES

Your Company does not have any subsidiary / subsidiaries within the meaning of the Companies Act, 2013.

### 6. FIXED DEPOSITS

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

### 7. DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed with no material departures;
- 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;
- 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;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls in the Company that are adequate and are operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that these are adequate and are operating effectively;

### 8. DIRECTORS

In accordance with Article 132 of the Articles of Association of your Company, Foseco Overseas Limited replaced their existing nominee Director Chris O'Shea with Merrill France Durrenbach, who was appointed a nominee Director of Foseco Overseas Limited, on 21 July, 2014.

Your Board looks forward to gain from the wide international experience she brings with her.

As Christopher Nail, Non-Executive Director of the Company was retiring from Vesuvius plc in December, 2014, the Board of Directors accepted his resignation as a Director of the Company with effect from 14 November, 2014.

David Hughes, Non-Executive Director of the Company nominated by Foseco Overseas Limited, has left the Vesuvius plc group of Companies. He has tendered his resignation from the Board of the Company with effect from 31 December, 2014. The Board at its Meeting held on 28 January, 2015 took note of the same.

Your Board wishes to place on record their appreciation of the valuable contributions made by Chris O'Shea, Christopher Nail and David Hughes in furthering the objectives of your Company.

A Resolution seeking approval of the Members for the appointment of **Merryl France Durrenbach (DIN: 06920690)**, as a Director has been incorporated in the Notice of the forthcoming AGM.

**Indira Parikh (DIN: 00143801)**, was appointed as an Additional Independent Director on the Board of the Company on 21 July, 2014. In accordance with the requirements of Section 149 and 152 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, her continuation as an Independent Director on the Board of the Company will have to be approved by the Members of the Company.

Pursuant to Section 149 and 152 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors have, at its Meeting held on 28 January, 2015, appointed the existing Independent Directors, **Pradeep Mallick (DIN: 00061256)** and **Ajit Shah (DIN: 02396765)** as Independent Directors for a term commencing from 27 March, 2015 and ending on the date of the Annual General Meeting to be held in the years 2018 and 2019 respectively, subject to the approval of the Members, since the Company policy requires that the Board Members retire at the Annual General Meeting following their 75th birthday, even if it falls before the end of their 5 years tenure.

The requisite Resolutions for the appointment of Indira Parikh, Pradeep Mallick and Ajit Shah as Independent Directors, are being proposed in the Notice of the ensuing Annual General Meeting for the approval of the Members.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the information on the particulars of the Directors proposed for appointment has been given in the Notice of the Annual General Meeting.

## 9. AUDITORS

In view of the internal process of re-alignment at the Statutory Auditors' firms, B S R & Associates LLP, (Firm registration number: 116231W/W100024), Chartered Accountants, Pune replaces B S R and Co., (ICAI Firm Registration Number: 128510W) as the Statutory Auditors of the Company.

The Statutory Auditors of the Company, B S R & Associates LLP (ICAI Firm Registration Number: 116231W /W-100024), Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from B S R & Associates LLP to the effect that their appointment, if made, will be as per the requirements laid down under Section 139 and 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014. The Statutory Auditors have expressed its intention to hold office from the conclusion of the 58th Annual General Meeting of the Company, upto the conclusion of the 60th Annual General Meeting to be held in the year 2017, pursuant to the provisions of the said sections, subject to approval of the Members and thereafter, ratification of the appointment at every Annual General Meeting.

Accordingly, a resolution is being submitted to the Members for the appointment of B S R & Associates LLP, and to allow the Board to fix their remuneration for the current year.

## 10. AUDITOR'S REPORT

The observations of the Statutory Auditors in their report, read with the relevant notes to the financial statement in Note no.28 are self explanatory.

## 11. COST AUDITORS

Joshi Apte & Associates, Cost Accountants are the Cost Auditors of the Company. The Cost Records of the Company are examined by them.

The Company has maintained the required cost accounting records as per the Cost Accounting Records (Chemical Industries) Rules 2004 and the Company is in compliance therewith.

## 12. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, Grishma Khandwala, Practising Company Secretary (ACS 6515; C P No. 1500), Mumbai, has been appointed to conduct a secretarial audit of the Company's Secretarial and related records for the year ended 31 December, 2014. The Practising Company Secretary has submitted her Report on the secretarial audit conducted by her which is annexed to this Board's Report.

The Board has noted that Form No. MGT-14 for filing of Resolution relating to the Quarterly Financial Results as required by Section 179 of the Companies Act, 2013 and Rule 8 of the (Companies Meetings of Board and its Powers) Rules, 2014 have not been filed. Steps are being taken to file the same at the earliest.

## 13. POLICIES OF THE COMPANY

Your Company has posted the following documents on its website [www.fosecointia.com](http://www.fosecointia.com) at [FosecoIndia/View/policies.aspx](http://FosecoIndia/View/policies.aspx) link:

1. Code of Conduct and Ethics
2. Whistle Blower Policy
3. Related Party Transaction Policy
4. Familiarisation Programme for the benefit of the Independent Directors

## 14. CONSERVATION OF ENERGY

Continued efforts are made throughout the Company to effect improvements to production processes resulting in reduced energy consumption.

## 15. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Your Company continues to place significant importance on Research and Development as the primary means of continuously advancing its product technology. A sum of Rs. 98.21 Lacs (previous year Rs. 88.86 Lacs) was spent during the year towards Research & Development. Technology transfer into the Company from its overseas affiliates is by three main routes:

1. The information exchanged during periods of secondment when the Company's technical and marketing personnel spend extended periods working at the facilities of its overseas affiliates undergoing training in new technologies.
2. The Company's marketing and technology personnel travelling overseas to meet Foundry Division colleagues and customers in order to identify and bring back best practices.
3. Visits to the Company by technology experts from various parts of the Foundry Division.

There is a continuous flow of technology into the Company from the parent, Foseco International Limited, in the form of technology upgrades and new products.

## 16. IMPORTS / EXPORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

### A. IMPORTS

Imports of raw materials during the year amounted to Rs. 2434.26 Lacs (previous year Rs. 1,787.21 Lacs) and capital goods & spares of Rs. 25.79 Lacs (previous year Rs. 35.72 Lacs).

### B. EXPORTS

Exports were mainly to Middle East, ASEAN and China. Exports during the year increased to Rs. 1,285.57 Lacs from Rs. 1,045.54 Lacs in the previous year.

### C. EARNINGS AND OUTGO

Details are provided under Point 5.1 to 5.4 of Note 28 of "Notes to Financial Statements" for the year ended 31 December 2014.

## 17. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of your Company have constituted a CSR Committee. As on 31 December 2014, the Committee comprises three Directors. Your Company has developed a CSR Policy which is carried in this Annual Report. Additionally, the CSR Policy has been uploaded on the website of the Company at [www.fosecointia.com](http://www.fosecointia.com) at [FosecoIndia/View/policies.aspx](http://FosecoIndia/View/policies.aspx) link.

## 18. PERFORMANCE EVALUATION OF THE DIRECTORS ETC.

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of the individual Directors and the Board. The framework of performance evaluation of the Independent Directors captures the following points:

- A) Key attributes of the Independent Directors 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;

The evaluation was carried out by means of the replies given / observations made by all the Independent Directors on the set of questions developed by them which brought out the key attributes of the Directors, quality of interactions among them and its effectiveness.

## 19. INTEGRATED MANAGEMENT SYSTEM POLICY

The Company has adopted an Integrated Management System comprising quality, health, safety and environmental management system in accordance with ISO and OHSAS Standards and in line with the Maharashtra Factories Act, 1948 read with Rule 73-L (5)d of the Maharashtra Factories Rules 1963.

## 20. STATUTORY DISCLOSURES

Information as per Section 217 (2-A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and under Section 217(1)(e) of the said Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, forms part of this Report. However, as per provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Details regarding technology absorption, conservation of energy and foreign exchange earnings and outgo required under section 217(1)(e) of the Companies Act, 1956 and Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are included as Annexure A, B and C to the Directors' Report.

A Cash Flow Statement for the year ended 31 December 2014 is attached to the Balance Sheet.

## 21. EMPLOYEE RELATIONS

Employee relations throughout the Company were harmonious. The Board wishes to place on record its sincere appreciation of the devoted efforts of all employees in advancing the Company's vision and strategy to deliver good performance.

## 22. INTERNAL CONTROL SYSTEMS

The Company's internal control systems are audited by P. G. Bhagwat, Chartered Accountants. The Internal Auditor independently evaluates the adequacy of internal controls and reviews major transactions. The Internal Auditor reports directly to the Audit Committee to ensure complete independence.

## 23. ACKNOWLEDGMENTS

Your Directors thank Customers, Vendors and all the Foseco Stakeholders for their continued support to your Company's performance and growth. The Directors also wish to place on record their sincere appreciation of the commitment and enthusiasm of all employees for their significant role in the Company's growth till date.

For and on behalf of the Board of Directors  
**Pradeep Mallick**  
 Chairman

Place: Pune  
 Date: 28 January 2015

## Annexure to the Report of the Directors

ANNEXURE TO THE REPORT OF THE DIRECTORS IN TERMS OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

### FORM - A

Form for disclosure of particulars with respect to conservation of energy.

#### (A) Power and Fuel Consumption :

Particulars	31 December 2014	31 December 2013
<b>1. Electricity</b>		
(a) Purchased		
Units	25,78,144	24,32,544
Total Amount (Rs. Lacs)	187.74	167.39
Rate / Unit (Rs.)	7.28	6.88
(b) Own Generation		
i) Through Diesel Generator		
Units	2,01,836	2,29,207
Units per litre of Diesel Oil	3.89	3.80
Cost / Unit (Rs.)	16.79	15.98
ii) Through Steam Turbine / Generator		
Units	NOT APPLICABLE	NOT APPLICABLE
Units per litre of Fuel Oil / Gas		
Cost / Unit (Rs.)		
<b>2. Coal</b>		
Quantity (Tonnes)	NOT APPLICABLE	NOT APPLICABLE
Total Cost		
Average Rate		
<b>3. Furnace Oil</b>		
Quantity (KL)	NOT APPLICABLE	NOT APPLICABLE
Total Amount (Rs. Lacs)		
Average Rate (Rs. / KL)		
<b>4. Others / Internal Generation</b>		
LPG		
Quantity (Kgs)	4,34,852	3,99,462
Total Cost (Rs. Lacs)	329.22	273.31
Rate/Unit (Rs./Kg)	75.71	68.42

#### (B) Consumption per unit of production

Given the wide product range, it is not possible to compute the consumption per unit of production.

## FORM - B

### Form for Disclosure of Particulars With Respect to Absorption

#### Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company	:	Metallurgical Chemicals
2. Benefits derived as a result of the R & D	:	Customers continue to benefit from the Company's range of products designed to improve quality, productivity, efficiency and the environment.
3. Future plan of action	:	R & D initiatives continue to focus on improving customer's quality and productivity levels whilst contributing to an overall improvement in environmental conditions.
4. Expenditure on R & D		
(a) Capital	:	Rs.11.80 Lacs (previous year Rs. 0.76 Lacs)
(b) Revenue	:	Rs. 86.41 Lacs (previous year Rs. 88.10 Lacs)
(c) Total	:	Rs. 98.21 Lacs (previous year Rs. 88.86 Lacs)
(d) Total R & D expenditure as a percentage of total turnover	:	0.37% (previous year 0.39%)

#### Technology Absorption, Adaptation and Innovation

1. Efforts made towards technology absorption	:	Customers continue to benefit from the foundry products absorption, adaptation and innovation and contoured impact pads designed to improve quality, productivity and efficiency. The secondment of the Company's engineers and technologists to overseas group companies continued during the year. In particular, personnel visited Germany, South Africa, Thailand, Japan, Italy, China, Korea and Europe to gain insights into industry best practice.
2. Benefit derived as a result of the above efforts	:	Continuous improvements to the Company's product technology and customer service offerings.
3. In case of imported technology the following information may be furnished		
(a) Technology imported into the Company	:	There is a continuous flow of technology into the Company from the parent, Foseco International Ltd., in the form of technology upgrades and new products.
(b) Year of Import		
(c) Has technology been fully absorbed?		
(d) If not fully absorbed, areas where absorption has not taken place, reasons thereof and future plans of action.		

## FORM - C

### FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current Year (Rs. In Lacs)	Previous year (Rs. In Lacs)
i. Foreign Exchange Earnings	1,621.20	1,567.47
ii. Foreign Exchange Outgo	2,982.04	2,427.19

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

For the **Company's Financial Year** from 1<sup>st</sup> January, 2014 to 31<sup>st</sup> December, 2014

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

To,  
The Members,  
Foseco India Limited

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 conduct / statutory compliances and expressing my opinion thereon.

Based on my verification of the 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 comprising the **Company's Financial Year** from 1<sup>st</sup> January, 2014 to 31<sup>st</sup> December, 2014 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 Foseco India Limited for the **Company's Financial Year** 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, 1956 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'):-
  - (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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Factories Act, 1948, The Payment of Wages Act, 1936, The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and The Environment Protection Act, 1986.

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) The Listing Agreements entered into by the Company with B.S.E and N.S.E Stock Exchange(s), if applicable;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable, except that the following forms have not been filed:

- a. Form No. MGT-14 for filing of Resolution relating to the Quarterly Financial Results as required by Section 179 of the Companies Act, 2013 and Rule 8 of the (Companies Meetings of Board and its Powers) Rules, 2014.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule 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 are captured and recorded as part of the minutes.

I Further Report that there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Mumbai  
Date : 28 January, 2015

**GRISHMA KHANDWALA**  
Company Secretary  
ACS No. 6515  
C.P. No. 1500  
7, Indian Mercantile Mansions,  
Madam Cama Road,  
Mumbai- 400039

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To,  
The Members  
Foseco India Limited

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express as opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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 procedures on test basis.
6. 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.

Place : Mumbai  
Date : 28 January, 2015

**GRISHMA KHANDWALA**  
Company Secretary  
ACS No. 6515  
C.P. No. 1500  
7, Indian Mercantile Mansions,  
Madam Cama Road,  
Mumbai- 400039

## **CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

To The Members of

Foseco India Limited

I have examined the compliance of conditions of Corporate Governance by Foseco India Limited ("the Company") for the year ended 31 December, 2014 as stipulated in Clause 49 of the Listing Agreements of the said Company with the relevant Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of 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 me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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.

7/4, Indian Mercantile Mansions,  
Madam Cama Road,  
Mumbai - 400039

**28 January, 2015**

**GRISHMA KHANDWALA**

Company Secretary  
ACS No. 6515  
C P No. 1500

# Corporate Governance Report

## FOSECO'S PHILOSOPHY

Foseco strives to adopt the highest standards of excellence in Corporate Governance. The Company has consistently practised good Corporate Governance norms for the past several years 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 (SEBI) from time to time, under the revised Clause 49 of the Listing Agreement entered into with the Stock Exchanges, which came into effect from 1 October, 2014. The provisions of Clause 49 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 approach delivering improved foundry processes and casting quality.
- Based upon world-class proprietary technology, foundry process and product application expertise and excellence in customer service.

### Foseco Values

All employees are committed to living the Company's values :

- Creativity
- Cooperation
- Reliability
- Integrity
- Embracing Diversity

### 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 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, issues to be discussed thereat and rules regarding holding and conducting the general meetings. All shareholders are treated equitably.

## Role of the Stakeholders

The Company recognises the rights of the stakeholders who are provided opportunity to obtain effective redressal for violation of their rights. Keeping the same in view, the Company has laid down an effective whistle blower policy enabling stakeholders, including employees to freely communicate their concerns about illegal or unethical practices.

## Insider Dealing Policy

The Company's shares are listed on the BSE Limited and the National Stock Exchange of India Limited. With the intention of preventing insider trading in the securities of the Company, the Company has implemented an insider dealing policy in accordance with the terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended. As a part of the policy, the Company's Directors and specified executives are advised of the closed periods in respect of dealing / transacting in the securities of the Company prior to the announcement of the quarterly, half-yearly and annual financial results of the Company and other price sensitive information.

## Investor Services

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

## Performance Management

Foseco places considerable importance on the management 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 strongly 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 have an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialisation.

The Board of the Company comprises 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, as provided in the Articles of Association of the Company. The current strength of the Board includes two Women Directors, out of which one is an Independent Director as required under applicable legislation. The Chairman of the Board is a Non-Executive Independent Director.

Composition of the Board of Directors as on 31 December, 2014:

Category	No. of Directors
Promoter - Non-Executive Director	1
Executive Director	1
Non-Executive Independent Directors	3
Total	5

The background of each Director is summarised below:

**(a) PRADEEP MALLICK (DIN: 00061256), Non-Executive Chairman and Independent Director**

Pradeep Mallick, aged 72 years, is a Non-Executive Independent Director on the Board of Foseco India Limited since 21 October, 2011 and Non-Executive Chairman from 20 January, 2012. He is a graduate Electrical Engineer B.Tech from IIT Madras, who honoured him with the Distinguished Alumnus Award. He is a 'Chartered Engineer', Fellow of the Institution of Engineering & Technology (FIET), London, and holds a Diploma in Business Management from UK. From 1967 to 1988, Pradeep Mallick worked with Crompton Greaves, Tata Exports, EMC and GENELEC in the field of Power Distribution & Power Transmission, primarily in managing large turnkey projects in India, Gulf, West Asia and North Africa. In 1988, he helped to establish the Finnish Company Wartsila in India as a greenfield project and led the Company as its Managing Director for 15 years till 2003. He was conferred Knight First Class of the Order of The White Rose of Finland by the President of Finland. He currently serves on the Boards of several Companies as a professional Independent Non-Executive Director. Besides, he is a Strategic Adviser cum Sounding Board to CEOs and an Executive Coach/Mentor to Corporate Executives, focusing on Leadership Development.

Pradeep Mallick is Chairman of the Stakeholders' Relationship Committee of the Board of the Company and also a Member of the Board's Audit Committee and the Nomination and Remuneration Committee.

He does not hold any shares in the Company.

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

Sanjay Mathur, aged 50 years, is a Managing Director of the Company since 1 April, 2007. He was re-appointed as Managing Director for a period of three years from 1 April 2013. He is a Bachelor of Engineering (Chemical) from Punjab University, Chandigarh and has also done Advanced Management Programme from Melbourne Business School, Master of Marketing from Monash University, Australia and holds a Diploma in Financial Management (DipFM) from ACCA, U.K. Sanjay Mathur has undergone numerous leadership and management development training programmes during his career. He has a wide-ranging experience across various functions and has worked with J.K. Synthetics Ltd, Bharat Petroleum Corporation Ltd. and the Shell Group. He was the Supply Chain & Industrial Sales Manager and General Manager (acting) of a Shell JV in the Middle East between 1998 and 2003. In 2003 Sanjay Mathur took over as Managing Director of Pennzoil-Quaker State India Limited (Pennzoil), Mumbai after its acquisition by Shell in October 2002.

Sanjay Mathur is a Member 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 Meetings as he is a permanent invitee to these Meetings.

He does not hold any shares in the Company.

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

Ajit Shah, aged 68 years, is a Non-Executive Independent Director on the Board of Foseco India Limited since 17 October, 2013. 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 at Mumbai.

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, American President Lines, Singapore, Mitsui OKS Lines, Japan and certain Tata group Companies.

He serves on the Board of Mount Everest Minerals Water Limited (a Tata Group Company) as its Director and also as a Chairman of its Audit Committee.

He is the Chairman of the Board's Audit Committee and the Nomination and Remuneration Committee of the Company and also a Member of the Board's Stakeholders' Relationship Committee and the Corporate Social Responsibility Committee.

He does not hold any shares in the Company.

**(d) MERRYL FRANCE DURRENBACH (DIN: 06920690), Non Executive Director**

Merryl France Durrenbach, aged 40 years, is a Non-Executive Director on the Board of the Company appointed on 21 July, 2014. Merryl France Durrenbach is a French national. She has an experience of 14 years as an external / internal audit and risk assurance gained in the Automotive, Oil & Gas, Plastic & Paper Packaging and Services. In her previous role, Merryl set-up and developed from a zero base a strong internal audit team, and established robust audit processes globally, supporting all areas of the business to deliver improvements and mitigate risks. That audit team was recognised as one of the best for UK public companies. Merryl graduated from the Paris Institute Superior of Management with a masters degree in Finance & Management. She is head of Internal Audit for Vesuvius plc.

Merryl France Durrenbach does not hold Directorship in any other public Company in India except Foseco India Limited. Merryl is a Member of the Board's Audit Committee and the Stakeholders' Relationship Committee of the Board of the Company.

She does not hold any shares in the Company.

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

Indira Parikh, aged 71 years, joined the Board of Foseco India Limited as an Additional Independent Director on 21 July, 2014.

Indira Parikh has done M.Ed. from University of Rochester, New York USA and the 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 specialized in organization development and design, and institution building. She has designed and offered management and leadership development programs in public sector, private sector and multinational organizations. She has been a consultant to various national and international organizations. Prof. Parikh has travelled extensively on assignments across the continents and country.

Indira Parikh is the Founder President of FLAME at present. She has been involved in creating the academic vision and shaping FLAME. She has conceptualized 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 programs 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.

She currently serves on the Boards of several Companies as an Independent Director.

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

She does not hold any shares in the Company.

#### None of the Directors of the Company are related to each other.

#### Disclosure of Directors' and Key Executives Interests in Transactions with the Company

None of the Directors and Key Executives, 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 Clause 49 I (D) of the Listing Agreement.

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 arms-length, and have been disclosed to the Board and entered in the Register of Contracts and approved by the Board in accordance with the Companies Act, 2013.

#### Independent Directors

The Independent Directors of the Company fully meet the requirements laid down under Clause 49 II (B) of the Listing Agreement.

As mandated by Clause 49 of the Listing Agreement :

- apart from receiving Director's remuneration, the Independent Directors of the Company do not have any material pecuniary relationships with the Company, its holding or associate company, or their Promoters, or Directors, during the two immediately preceding financial years or during the current financial year;

- none of the relatives of the Independent Directors has or has had pecuniary relationship or transactions with the Company, its holding or associate company, or their Promoters, or Directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, 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 relatives -
  - holds or have held the position of a key managerial personnel or is or have been employee of the company or its holding or associate company in any of the three financial years immediately preceding the financial year in which they are proposed to be appointed;
  - 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 firm of auditors or company secretaries in practice or cost auditors of the company or its holding or associate company; or
    - any legal or a consulting firm that has or had any transaction with the company, its holding or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - holds together with their relatives two per cent or more of the total voting power of the company; or
  - 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 from the Company, any of its Promoters, Directors or its holding or associate company or that holds two per cent or more of the total voting power of the Company;
  - is a material supplier, service provider or customer or a lessor or lessee of the Company;
- the Independent Directors of the Company are not less than 21 years of age.

#### Board and Committee Memberships

As mandated by the revised Clause 49 which has become applicable to the Company with effect from 1 October, 2014, none of the Directors on the Board is a Member of more than ten (10) Committees and none is a Chairman of more than five (5) Committees across all the Indian Public Limited Companies in which they are Directors. All the Directors have made necessary disclosures regarding Committee positions held by them in other Companies. The table below gives the details of Directorships, Committee Memberships and Chairmanships in Indian Companies as on 31 December 2014. It excludes Directorships of Private Limited Companies, Foreign Companies and Section 8 Companies. For the purpose of reckoning the limit, the Chairmanship / Membership of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered.

A total of five Board Meetings were held during the year 2014 on the following dates: **21 January, 22 April, 9 May, 21 July and 14 November.** Composition of the Board and the Directorships held as on **31 December 2014** is as follows:

Name of Director	Category	Number of Board Meetings attended during the year 2014	Attendance at the last AGM	Number of Directorships in other Indian Public Companies as on 31-12-2014	Number of Committee Positions held in other Public Companies as on 31-12-2014	Number of Committee Chairmanship held in other Public Companies as on 31-12-2014
David Hughes <b>3, 4</b> (DIN: 00191596)	Non Independent, Non-Executive	4	Yes	--	--	--
Sanjay Mathur (DIN: 00029858)	Managing Director	4	Yes	--	--	--
Pradeep Mallick (DIN: 00061256)	Independent, Non-Executive	5	Yes	4	5	1
Christopher Nail <b>3, 4</b> (DIN: 05195069)	Non Independent, Non-Executive	4	Yes	--	--	--
Chris O' Shea <b>3, 4</b> (DIN: 06503209)	Non Independent, Non-Executive	2	Yes	--	--	--
Ajit Shah (DIN: 02396765)	Independent, Non-Executive	5	Yes	1	1	1
Merryl France Durrenbach <b>1</b> (DIN: 06920690)	Non Independent, Non-Executive	2	--	--	--	--
Indira Parikh <b>2</b> (DIN: 00143801)	Independent, Non-Executive	2	--	7	4	--

<sup>1</sup> Merryl France Durrenbach was appointed as a Non-Executive Director and nominee of Foseco Overseas Limited on 21 July, 2014.

<sup>2</sup> Indira Parikh was appointed as an Additional Independent Director on 21 July, 2014.

<sup>3</sup> Chris O' Shea, Christopher Nail and David Hughes ceased to be Directors of the Company on 21 July, 2014, 14 November 2014 and 31 December, 2014 respectively.

<sup>4</sup> The Membership, Chairmanship of the Board and Committee positions of public companies are as on the date when the Director 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. Apart from the above, the Company policy requires that Board Members retire at the AGM following their 75th birthday.

## Performance evaluation of Independent Directors

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 will capture 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;

The assessment to determine the key attributes of the Directors should cover the following:

### i) Relevant experience and skills

#### Impact:

- ability and willingness to speak up
- ability to carry others
- ability to disagree, stand his/her ground

#### Integrity:

- Focus on shareholder value creation
- high governance standards

## ii) Assessment of Committee's Effectiveness

### Knowledge of business:

- competition and competitive structure
- markets and customers
- suppliers and dealers
- SWOT

The Board of Directors (excluding the Director being evaluated) had, in their Meeting held on 27 January, 2015 evaluated the performance of all the Independent Directors on the Board and have determined to continue with the term of appointment of the Independent Director.

Based on the said evaluation, the Independent Directors who are seeking appointment or re-appointment have furnished a declaration that he / she meets the criteria of independence as laid down in Section 152 of the Companies Act, 2013. The required information / details of Director(s) who are seeking appointment or re-appointment is set out in the notes to the AGM Notice.

### Separate meetings of the Independent Directors

The Independent Directors held a Meeting on 27 January, 2015, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at such meeting. At the Meeting, 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 Executive Directors 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, including the Managing Director bring to the Board, abundant knowledge in their respective field and are experts in their areas. Besides, they are insightful, convincing, astute, with a keen sense of observation, mature and have a deep knowledge of the Company.

The Board as a whole is an integrated, balanced and cohesive unit where diverse views are expressed and dialogued when required, with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative.

The Chairperson has abundant knowledge, experience, skills and understanding of the Board's functioning, possesses a mind for detail, is meticulous to the core and conducts the Meetings with poise and maturity.

The information flow between the Company's Management and the Board is complete, timely with good quality and sufficient quantity.

#### **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 to be adhered, nature of the industry in which the Company operates, business model of the Company, meeting with the senior management team members, etc.

The details of such familiarisation programmes has been disclosed on the Company's website at [www.fosecoindia.com](http://www.fosecoindia.com) at [FosecoIndia/View/policies.aspx](#) link.

#### **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 circulations, as permitted by law, which is confirmed in the next Board 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 are informed well in advance to all the Directors. Each Director is expected to attend the Board / Committee Meetings.

**Notice and Agendas 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 summon the personnel whose presence and expertise would help the Board to have a full understanding of matters being considered.

#### **Information Supplied to the Board / Committees:**

Among others, information supplied to the Board / Committees includes:

- Annual operating plans of businesses and budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results of the Company.
- Minutes of the Meetings of the Board and all other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including the appointment or removal, if any, of Chief Financial Officer and Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Transactions that involve substantial payment towards royalty, goodwill, brand equity or intellectual property.
- Any significant development in human resources / industrial relations front, as and when it occurs.
- Making of loans and investments of surplus funds.
- General notices of interests of Directors.
- Formation / Reconstitution of Board Committees.
- Appointment, remuneration and resignation of Directors.
- Dividend declaration.
- Significant changes in accounting policies and internal controls.
- Sale of material nature of investments, assets which are 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.
- Compliance status of any regulatory, statutory nature or listing requirements and shareholders' service, such as non-payment of dividend, delay in share transfer, if any, and others and steps taken by company to rectify instances of non compliances, if any.

- Declarations submitted by Independent Directors at the time of appointment and also annually.
- Appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee.
- Annual financial results of the Company, Auditors' Report, Director's Report, Corporate Governance Report etc.
- Compliance Certificates for 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 Chairman. The Minutes are confirmed by the Members and signed by the Chairman 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. The report is also placed at the immediately succeeding Meeting of the Board / Committee(s) for information and review by the Board/ Committee(s).

### Code of Conduct & Ethics

The Company's Code of Conduct & Ethics, provides guidelines to be followed by Directors and all employees to ensure the highest standards of professional conduct. Members of the Board and senior management have affirmed compliance with the Code of Conduct & Ethics for the year ended 31 December 2014 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 CEO of the Company to this effect is contained at the end of this report.

The Company's Code of Conduct & Ethics has been suitably modified to include the requirements laid down in Clause 49 II (E) of the Listing Agreement. The modified Code was adopted by the Board of Directors at its Meeting held on 28 January, 2015. The said Code is posted on the website of the Company.

### COMMITTEES OF THE BOARD

As on 31 December, 2014, the Company has: 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 Committees.

To align with the requirements prescribed for such Board Committees under the provisions of the Companies Act, 2013 and the revised Clause

49 of the Listing Agreement, during the year ended 31 December, 2014, the Board of Directors amended the terms of references, wherever required, of the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, formed the Corporate Social Responsibility Committee and formulated its terms of reference, changed the nomenclature of the Shareholders'/Investors' Grievances Committee by renaming it as Stakeholders' Relationship Committee and merged the two committees namely the Nomination Committee and the Remuneration Committee into one by naming it as Nomination and Remuneration Committee.

All the above Committees were re-constituted during the year. The details of these Committees are set out below.

## 1. AUDIT COMMITTEE

### Terms of Reference

The Audit Committee reviews with Management, the Statutory Auditors and the Internal Auditors all aspects of the financial results, effectiveness of internal audit processes, taxation matters and the Company's risk management strategy.

### Composition

The Audit Committee comprises 4 Directors, three of whom are Non-Executive Independent Directors - Ajit Shah, Pradeep Mallick and Indira Parikh and one who is Non-Executive Non-Independent Director - Merryl Durrenbach.

The Chairman Ajit Shah, Chartered Accountant, has considerable financial expertise and experience. The Chief Financial Officer, the Managing Director, 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 2014 on **21 January, 22 April, 21 July and 13 November**.

Name of the Director	Number of meetings held during the year	Number of meetings Attended
Ajit Shah	4	4
Pradeep Mallick	4	4
Chris O' Shea	4	2
Merryl Durrenbach	4	1
Indira Parikh	4	1

<sup>1</sup> Chris O' Shea ceased to be a Member of this Committee with effect from 21 July, 2014.

<sup>2</sup> Merryl Durrenbach and Indira Parikh were appointed Members of this Committee on the conclusion of the Board Meeting held on 21 July, 2014.

### Powers and 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 External 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.
- Approve subsequent modifications, if any, 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 utilized 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;
- Qualifications 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 External 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.
- Evaluate the Internal Controls and Risk Management Systems.
- Review the effectiveness and adequacy of the Internal audit functions and processes including the performance of the Internal Auditors.
- Consider and make recommendations to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Company's External Auditors, subject to the approval of the shareholder at the Annual General Meeting;
- Propose to the Board, the External 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 shareholders at the Annual General Meeting;
- Recommend to the Board regarding the approval of the External Auditors terms of appointment, including any engagement letter issued at the start of each audit and the scope of the audit;
- Assess annually the External 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;
- 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 External Auditor on their own Internal quality procedures;
- Review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement;
- Review the findings of the audit and limited reviews with the External 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 External Auditors in terms of value addition.
- Implement and regularly review the policy on the rendering of the non-audit services by the External 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 regularly reviews the risk management strategy of the Company to ensure the effectiveness of risk management policies and procedures.

## 2. NOMINATION AND REMUNERATION COMMITTEE

To align with the requirements prescribed under the provisions of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement, the Board of Directors amended the terms of references, wherever required, of the Nomination and Remuneration Committee and merged the two separate Committees namely the Nomination Committee and the Remuneration Committee into one by naming it as Nomination and Remuneration Committee.

### Terms of Reference

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

- identify persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- carry out evaluation of every Director's performance along with the Board;
- formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors;
- formulate the criteria for performance evaluation of Independent Directors and the Board;
- devise a policy on Board diversity;
- the Members and Chairperson of Board Committees;
- 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.
- ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

### Composition

The Committee comprises three Directors - Ajit Shah as Chairman, Pradeep Mallick and Indira Parikh as Non-Executive Independent Directors.

**Nomination and Remuneration Committee Meetings and Attendance of Directors** - During the year, two Meetings of the Remuneration Committee were held on **21 January and 22 April** and one Meeting of the Nomination Committee on **22 April**. The merged Committee viz., the Nomination and Remuneration Committee met twice on **21 July and 14 November**. The attendance of the Members at these five Meetings is given below:

Name of the Director	Number of meetings held during the year	Number of meetings Attended
Ajit Shah	5	5
Pradeep Mallick	5	5
Chris O' Shea	5	3
David Hughes	5	5
Indira Parikh	5	1

<sup>1</sup> Chris O' Shea and David Hughes ceased to be a Member of this Committee with effect from 21 July, 2014 and 31 December, 2014 respectively.

<sup>2</sup> Indira Parikh was appointed a Member of this Committee on the conclusion of the Board Meeting held on 21 July, 2014.

### Remuneration Policy

#### (A) Whole-time Director and Management Team

The remuneration paid / payable to the Managing Director is in accordance with the limits fixed by the Board and approved by the shareholders. The total remuneration comprises fixed component consisting of salary and perquisites in accordance with Company policy and a performance bonus linked to Company performance. Increases in fixed remuneration are dependent upon Individual and Company performance and are assessed annually. The performance bonus is based on a set of stretch targets that reflect the overall financial performance of the Company each year.

During the financial year ended 31 December 2014, the Company has paid the following remuneration to the Managing Director:

Salary and bonus	Rs. 167.56 lac
Total perquisites	Rs. 24.02 lac
<b>Total</b>	<b>Rs. 191.58 lac</b>

The Managing Director has a three-year contract with the Company from 1 April 2013 to 31 March 2016, which can be terminated by mutual agreement with no severance fees payable. For management team members other than the Managing Director, the fixed remuneration package and performance bonus scheme has the same structure as the rest of the employees of the Company.

#### (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 computed under the relevant provision 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. For the financial year ended 31 December, 2014, Indira Parikh is eligible for commission proportionately based on the period of her Directorship with the Company.

Apart from the above, no other remuneration is paid to the Non-Executive Independent Directors. The amount paid / payable for the financial year ended 31 December, 2014 is summarized below:

Director	Sitting Fees (Rs.)	Commission Payable (Rs.)
Pradeep Mallick	1,35,000	7,70,000
Ajit Shah	1,35,000	7,00,000
Indira Parikh	40,000	3,50,000

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

### 3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with the requirements laid down in Section 135 of the Companies Act, 2013 and the Rules framed thereunder, the Board of the Company have constituted a Corporate Social Responsibility (CSR) Committee consisting of four directors, with two of them being Independent Directors.

Accordingly, the Board on 21 July, 2014 constituted the CSR Committee comprising the following members:

- Indira Parikh (Chairman)
- Ajit Shah
- David Hughes
- Sanjay Mathur

Subsequently, David Hughes ceased to be a Member of the CSR Committee with effect from 31 December, 2014.

#### 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.

#### CSR Policy

Your Company has developed a CSR Policy which is carried in this Annual Report. Additionally, the CSR Policy has been uploaded on the website of the Company at [www.fosecointia.com](http://www.fosecointia.com) at [FosecoIndia/View/policies.aspx](http://FosecoIndia/View/policies.aspx) link.

### 4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

#### Terms of Reference

During the year under review, the nomenclature of this Committee was changed from Shareholders' and Investors' Grievance Committee to the Stakeholders' Relationship Committee.

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

#### Composition

As on 31 December, 2014, the Committee comprises five Members: Pradeep Mallick, a Non-Executive Independent Director as Chairman, Ajit Shah, Merryl Durrenbach, Indira Parikh and 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 2014 on the following dates: **21 January, 22 April, 21 July and 13 November.**

Name of the Director	Number of meetings held during the year	Number of meetings Attended
Pradeep Mallick	4	4
Ajit Shah	4	4
Chris O' Shea	4	2
David Hughes	4	4
Christopher Nail	4	3
Merryl Durrenbach	4	1
Indira Parikh	4	1
Sanjay Mathur	4	4

- Chris O' Shea, Christopher Nail and David Hughes ceased to be Members of this Committee on 21 July, 2014, 14 November 2014 and 31 December, 2014 respectively.
- Merryl Durrenbach and Indira Parikh were appointed Members of this Committee on the conclusion of the Board Meeting held on 21 July, 2014.

#### Compliance Officer

R. Umesh, Chief Financial Officer is the Compliance Officer as per the Listing Agreement.

#### Analysis of Complaints - Received and Resolved

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	13	13	Nil	Nil
Non-receipt of Share Certificate	Nil	Nil	Nil	Nil	Nil
Non-furnishing of annual report & demat information	Nil	31	30	01	Nil
<b>Total</b>	<b>Nil</b>	<b>44</b>	<b>43</b>	<b>01</b>	<b>Nil</b>

All complaints have been resolved to the satisfaction of shareholders within a reasonable time.

## GENERAL BODY MEETINGS

Location, date and time of the Annual General Meeting held during the last 3 years:

Financial Year Ended	Date of the AGM	Time	Location	Special Resolutions Passed
31 December, 2013	22 April, 2014	1200 Hrs	At the Company's Registered Office at Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur, Pune - 412 208	Approval u/s., 309(4) and 309(7) of the Companies Act, 1956 for payment of commission not exceeding 1% of net profits of the Company to the Independent Directors of the Company, in each financial year over a period of five years with effect from 1 January, 2014.
31 December, 2012	22 April, 2013	1100 Hrs	-- do --	NIL
31 December, 2011	25 April, 2012	1000 Hrs	-- do --	NIL

### Postal Ballot

During the financial year ended 31 December, 2014, no resolution was put through by postal ballot.

### Extra-Ordinary General Meeting

No Extra-Ordinary General Meeting of the Shareholders was held during the financial year ended 31 December, 2014.

## DISCLOSURES

### Related Party Transactions

There were no materially significant related party transactions with the Company's Promoters, Directors, 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 entered into by the Company in the normal course of business are periodically placed before the Audit Committee for review. 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 thereunder and the Listing Agreement.

This Policy was considered and approved by the Board at its Meeting held on 28 January, 2015 to be effective from October 1, 2014. The policy has also been uploaded on the website of the Company at [www.fosecointia.com](http://www.fosecointia.com) at [FosecoIndia/View/policies.aspx](http://FosecoIndia/View/policies.aspx) link.

### Disclosure of Accounting Treatment

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.

## 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 Stock Exchanges, SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

### Whistle-blower Policy

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 & 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 Chairman, Managing Director, Chairman of the Board and Compliance Officer.

The Whistle-blower Policy is placed on the notice board of the Company, and its website. Moreover, it is also carried in this Annual Report.

### CEO / CFO Certificate

The Managing Director (CEO) and the CFO have furnished the requisite certificate to the Board of Directors under Clause 49 (IX) of the revised Listing Agreement.

## DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON-MANDATORY REQUIREMENTS

The Company has complied with the applicable mandatory requirements of Clause 49 of the Listing Agreement. The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement.

### ADOPTION OF NON-MANDATORY REQUIREMENTS

#### I. Maintenance of the Chairman's Office

The Company reimburses expenses incurred by the Non-Executive Chairman, if any, for maintenance of a Chairman's office.

#### II. Shareholder Rights

Half yearly financial results are forwarded to the Stock Exchanges and uploaded on the website of the Company like quarterly results.

#### III. Audit Qualifications

During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements.

#### IV. Separate posts of Chairman and CEO

The Chairman of the Company and the Managing Director / CEO are different persons.

#### V. Reporting of Internal Auditor

The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members.

## MEANS OF COMMUNICATION

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

The Annual Report, Quarterly, Half-Yearly and Annual Financial Results, Shareholding Pattern, Intimation of the Board Meetings and other statutory filings with the Stock Exchanges are posted through the filing system of the BSE Limited and NSE Electronic Application Processing System (NEAPS) portals.

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

## GENERAL SHAREHOLDER INFORMATION

### 58th Annual General Meeting

The 58th Annual General Meeting will be held on Friday, 27 March, 2015 at the Registered Office of the Company at 1200 hours (IST).

### Financial Year of the Company

The Company follows the calendar year as the financial year viz., from January to December of a year.

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

Financial Reporting 2015	From	To	Probable Date(s)
1st Quarter	January	March	24 April 2015
2nd Quarter	April	June	21 July 2015
3rd Quarter	July	September	20 October 2015
4th Quarter	October	December	January 2016
Annual General Meeting for the financial year ending 31 December, 2015			April 2016

### Company Identification Number (CIN)

The CIN of the Company is: **L24294PN1958PLC011052**.

### Date of Book Closure

The book closure date will be from Saturday, 21 March 2015 to Friday, 27 March 2015 (both days inclusive) for the purpose of entitlement to the final dividend.

### Dividend Payment Date

Final Dividend will be paid to the shareholders on or before 25 April 2015 (subject to the approval of the shareholders at the ensuing AGM).

### Stock Exchange Listing

Stock Exchange	Stock Code	Listing Fees Paid Upto	ISIN
BSE Limited	500150	31.03.2015	INE519A01011
National Stock Exchange of India Limited	FOSECOIND	31.03.2015	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 2014 were:

Month	B S E		N S E	
	Share Price		Share Price	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Jan 14	570.00	493.85	539.55	488.20
Feb 14	517.00	490.00	525.00	483.05
Mar 14	565.00	500.00	568.95	505.00
Apr 14	582.15	519.95	587.50	520.15
May 14	609.00	520.50	593.90	518.00
Jun 14	750.00	565.10	748.90	560.10
Jul 14	825.00	670.05	810.25	660.05
Aug 14	932.50	710.00	931.70	719.70
Sep 14	1,060.00	810.00	1,075.00	830.20
Oct 14	1,006.10	900.00	1,010.00	891.00
Nov 14	1,147.00	940.00	1,155.00	930.00
Dec 14	1,389.90	1,080.00	1,390.05	1,081.00

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

## Registrar & Transfer Agent

Agent	Address	Contacts	Meeting Frequency
Link Intime India Private Ltd.	Akshay Complex, Block 202, 2nd Floor, Off Dhule Patil Road, Near Ganesh Mandir, Pune 411 001.	Tel.: +91-(020) 2616 0084 +91-(020)-2616 1629 +91-(020)-2616 3503 Email: <a href="mailto:pune@linkintime.co.in">pune@linkintime.co.in</a>	Each Fortnight

## Share Transfer System

The power to approve the transfer of securities has been delegated by the Board to the Share Transfer Agents. Share transfer requests are processed within an average of 15 days from the date of receipt. Shareholders are encouraged to opt for dematerialisation of the physical shares in which case electronic credit is made. It should be noted that:

- The authority relating to share transfers has been delegated to the Stakeholders' Relationship Committee comprising the four Non-Executive Directors and the Managing Director.
- The Board has authorised the Registrar & Share Transfer Agents - LinkIntime India Private Ltd. to approve all routine transfers and transmissions of shares which are effected within 15 days.
- As per the requirement of Clause 47(c) of the Listing Agreement with the Stock Exchanges, the Company has obtained half-yearly certificates from Practicing Company Secretary for due compliance of share transfer formalities and filed the same with the Stock Exchanges. These certificates were also placed before the Board of Directors at its Board Meetings.

As on 31 December 2014 there were no valid requests pending for transfer of shares.

## 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 each of the quarters in the financial year ended 31 December, 2014 was carried out by a Practising Company Secretary whose reports were submitted with the Stock Exchanges at the end of every quarter. The reports were also placed periodically before the Board of Directors at its Board Meetings.

## Shareholding Distribution

The shareholding distribution as at 31 December 2014 is tabulated below:

Shareholding	Number of Share-holders	% of Total share holders	Total Number of Shares	% of Total Shares
Up to 5,000	6743	99.78	732735	11.47
5,001 to 10,000	07	0.10	53261	0.84
10,001 to 20,000	02	0.03	23813	0.37
20,001 to 30,000	02	0.03	54579	0.85
30,001 to 1,00,000	---	---	---	---
1,00,001 and above	04	0.06	5522071	86.47
<b>Total</b>	<b>6758</b>	<b>100.00</b>	<b>6386459</b>	<b>100.00</b>

## The nature of shareholding is summarized below :

Category	Total Number of Shares	% of Total Shares
Foreign Promoters	4788845	74.98
Foreign Companies	734829	11.51
NRIs /OCBs	14358	0.22
Banks and FIs, Mutual Funds	1560	0.03
Private Corporate Bodies	97019	1.52
Indian Public	749848	11.74
<b>Total</b>	<b>6386459</b>	<b>100.00</b>

## Dematerialisation of Shares and Liquidity

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

Approximately 98.42% of shares of the Company have been dematerialised. Shares of the Company are actively traded on the BSE Limited, Mumbai and the National Stock Exchange of India Limited.

## 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 Clause 5A of the Listing Agreement, the information relating to the equity shares lying in the suspense account is given hereunder:

Particulars	No. of Shares
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year	3 shareholders, 240 shares
Number of shareholders who approached the Company for transfer of shares from the suspense account during the year	Nil
Number of shareholders to whom shares were transferred from the suspense account during the year	Nil
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	3 shareholders, 240 shares

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, with one located at the Registered Office of the Company in Pune and another at Puducherry.

Pune	Puducherry
Gat Nos. 922 & 923, Sanaswadi village Taluka, Shirur, District Pune 412 208	Medium Scale Industrial Area, PIPDIC Industrial Estate, Mettupalayam Puducherry 605 009

## Address for Correspondence

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 Share Transfer Agent - Link Intime India Pvt. Ltd., Akshay Complex, Block 202, 2nd floor Off Dhole Patil Road, Near Ganesh Mandir, Pune-411001. Contact nos. - Tel.:+91 (020) 26160084, 26163503 Email: pune@linkintime.co.in.

## For all matters relating to investor relations contact:

### R. Umesh,

Compliance Officer  
Foseco India Limited  
Gat Nos. 922 & 923,  
Taluka Shirur Sanaswadi  
District Pune 412 208  
+91 (02137) 668233 (Direct)  
+91 (02137) 668100 (Board)  
+91 (02137) 668360 (Fax)  
email: r.umesh@foseco.com

## 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
2007 - Final	22-Apr-2008	22-May-2015
2008 - 1st interim	22-Apr-2008	22-May-2015
2008 - 2nd interim	17-Jul-2008	16-Aug-2015
2008 - 3rd interim	16-Oct-2008	15-Nov-2015
2008 Final	22-Apr-2009	21-May-2016
2009 1st Interim	24-Jul-2009	22-Aug-2016
2009 2nd Interim	27-Oct-2009	25-Nov-2016
2009 Final	21-Apr-2010	20-May-2017
2010 - 1st interim	21-Apr-2010	20-May-2017
2010 - 2nd interim	23-Jul-2010	21-Aug-2017
2010 - 3rd interim	21-Oct-2010	19-Nov-2017
2010 - Final	21-Apr-2011	20-May-2018
2011 - 1st interim	21-Apr-2011	20-May-2018
2011 - 2nd interim	22-Jul-2011	20-Aug-2018
2011 - 3rd interim	21-Oct-2011	19-Nov-2018
2011 - Final	25-Apr-2012	25-May-2019
2012 - 1st interim	25-Apr-2012	25-May-2019
2012 - 2nd interim	18-Jul-2012	17-Aug-2019
2012 - 3rd interim	23-Oct-2012	22-Nov-2019
2012 - Final	22-Apr-2013	21-May-2020
2013 - 1st interim	22-Apr-2013	21-May-2020
2013 - 2nd interim	14-Aug-2013	13-Sep-2020
2013 - 3rd interim	17-Oct-2013	16-Nov-2020
2013 - Final	22-Apr-2014	21-May-2021
2014 - 1st interim	09-May-2014	08-Jun-2021
2014 - 2nd interim	21-Jul-2014	20-Aug-2021
2014 - 3rd interim	14-Nov-2014	13-Dec-2021

Members who have not encashed their dividend warrants are requested to have them revalidated and encashed to avoid transfer to IEPF.

### Electronic Clearing Service (ECS)

Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/ MRD/DP/10/2013 dated March 21, 2013 ("Circular") to all listed companies requires them to update bank details of their shareholders holding shares in demat mode and / or physical form, to enable usage of the electronic mode of remittance i.e., ECS, NECS, NEFT etc. for distributing dividends and other cash benefits to the shareholders. In case where either the bank details such as MICR, IFSC etc. are not available or the electronic payment instructions have failed, Companies or their Registrar and Transfer Agents (RTA) may use physical payment instruments for making cash payments to the investors. Companies shall mandatorily print the bank account details of the investors on such payment instruments.

### 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 attached at the end of the Annual Report which can be used by the Members for the said purpose.

### PRACTICING COMPANY SECRETARY'S CORPORATE GOVERNANCE CERTIFICATE

The Company has obtained a certificate from a practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in the Listing Agreement with Stock Exchanges. This is annexed to the Directors' Report.

## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

As required by Clause 49 II (E) (2) of the Listing Agreement with the Stock Exchanges, this is to confirm 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 confirm that the Company has in respect of the financial year ended 31 December, 2014, received from all the Board Members and Senior Management of the Company, a declaration of compliance with the Code, as applicable to them.

For the purpose of this declaration, Senior Management Team shall mean heads of the various functions of the Company.

For Foseco India Limited

**Sanjay Mathur**  
Managing Director

Place : Pune  
Date : January 28, 2015

# Management Discussion and Analysis

Foundry Services Limited was established in 1932 as a supplier of flux products to brass and bronze foundries in Birmingham, England. The "Foseco" brand name was first used in 1934 originating from the words **FO**undry **SER**vices **CO**mpany. Over the past many decades FOSECO has become an integral part of the Foundry industry and one of the most recognised brand and supplier of consumable products. The success of the company was based not only on the provision of high quality products, but also on service and problem-solving as well as the development of application technology. This philosophy remains one of Foseco's core values to this very day. Currently, Foseco is the Foundry Technologies Division of Vesuvius Group plc which is present in 32 countries with major facilities in Germany, USA, UK, Brazil, China, India, South Korea and Japan.

Foundries produce castings that are close to final product shape, i.e., "near-net shape" components. Castings are produced by pouring molten metal into moulds with cores, used to create hollow internal sections. After the metal has cooled sufficiently, the casting is separated from the mould and undergoes cleaning and finishing operations. Your company serves foundries producing cast components for following major sectors.

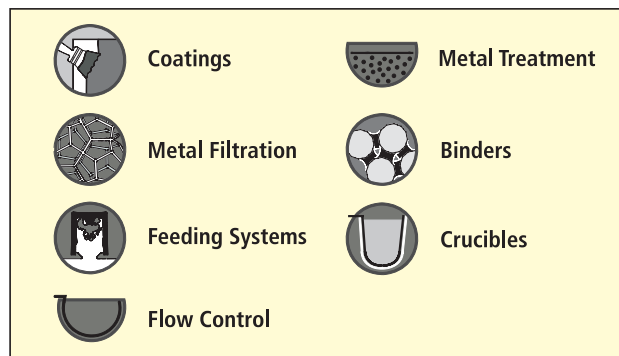


Foseco India Limited focusses on understanding the needs of the customers and thereby developing Customised Solutions which improve the processes and solve problems in the areas related to melting, methoding and mould and core. These are delivered to our customers by an international team of experts, 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. The Solutions offered also help the customers in conserving natural resources e.g. energy consumed in metal handling and reducing the number of melt heats by pouring more number of castings per mould. Further, through Process Control Solutions Foseco helps the customers ensure consistency, improved productivity and reliability of cast components. It continually works to improve its Solutions offerings and thereby deliver the Greatest Value to its customers. To support the focus on innovation in the foundry sector a new global R&D Centre has been commissioned in December 2014 in Enschede, The Netherlands.

Foseco's "partnership" model with customers is founded on its five core areas of strength:

- **Product Technology:** Its global proprietary consumable product technology.



- **Application Expertise:** Its in-depth knowledge of its customer's operations and the application of its products across a wide range of foundry processes.

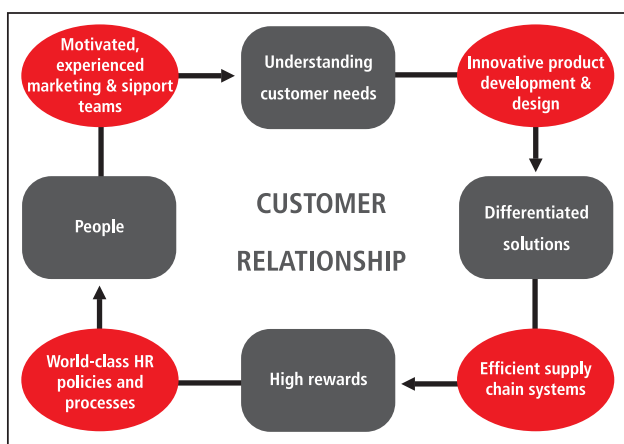


- **Process Knowledge:** Its in-depth understanding of customer's processes for manufacturing of casting from melting to post cast treatment.

- **Process Control:** Its range of sophisticated and state of the art Process Control equipments to ensure process management, measurement and consistency.

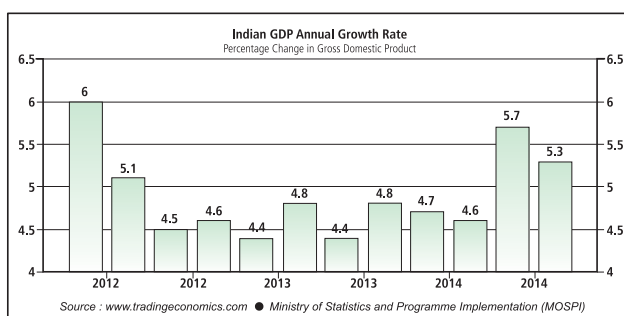


- **Customer Relationships:** Its conviction that customer partnership, where expertise and knowledge are shared, result in the greatest performance improvements for its customers.

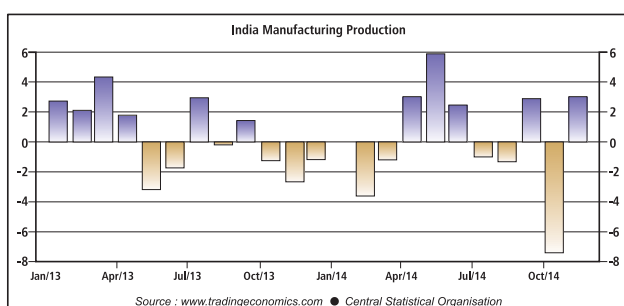


## MACRO ECONOMIC FACTORS

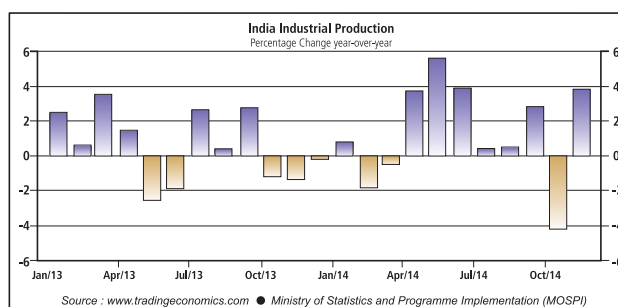
The year 2014 continued to be a challenging one as the GDP growth rate in Q1/2014 hovered at 4.6% similar to the previous quarter. The drop in GDP rate of growth was largely on account of weak performance in the manufacturing sector. The growth rate peaked in Q2/2014 to 5.7% and subsequently dropped to 5.3% in Q3/2014.



The growth in 2014 was largely on account of contribution from services and agriculture sector with volatility and negative performance in the manufacturing sector.



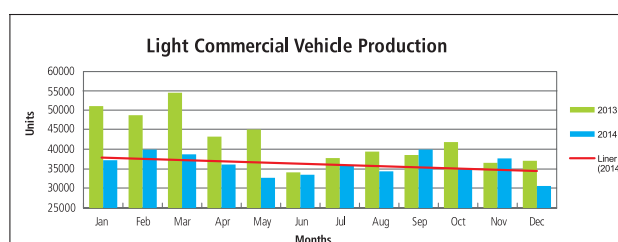
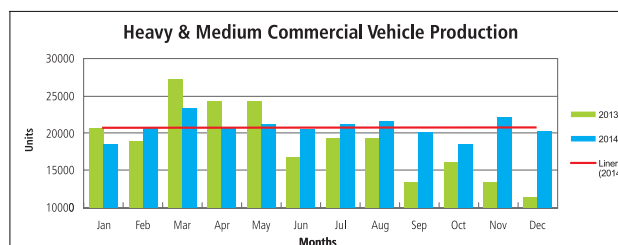
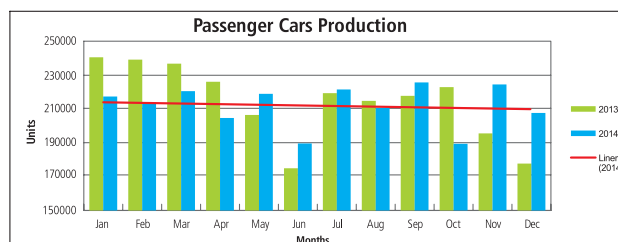
The Index of Industrial Production (IIP) which represents the activity in the Indian industry was weak for most parts of the year except Q/2 2014 where it showed signs of recovery.

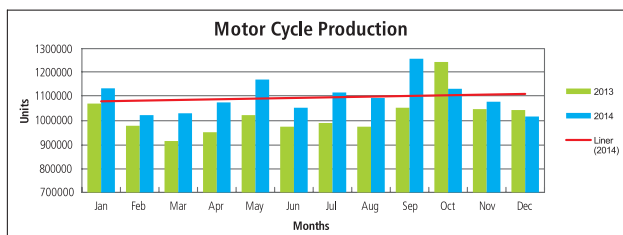


In spite of this slowdown and volatility in the economy in the year 2014, the Rupee showed resilience and performed better than 2013, losing only 3% during the year. The wholesale price index dropped to zero in November 2014 and Consumer Price Index eased to sub 5% level. The interest rates remained high throughout the year affecting the spending, investment and profitability. Further liquidity remained a constraint for growth as Policy Rates by RBI remained unchanged.

## Automotive Industry

The four wheeler automobile industry production contracted by 0.7% in 2014. However, the two wheeler segment saw an impressive growth of 12.9% mainly contributed by Scooters. It was reported that the production of tractors was lower compared to 2013. Passenger car production was lower by 1.3% compared to 2013 although some tentative growth was seen in the last quarter in view of anticipated withdrawal of excise duty sop from 1st January 2015. The Heavy Commercial Vehicles grew by 9% over a small base of 2013. In case of Light Commercial Vehicles the production level was been lower by 15% over 2013 and the Multi Utility Vehicle production was higher by 10.4 % due to increasing demand for pick up vans.





Source : Society of Indian Automobile Manufacturers

## Foundry Industry in 2014

The Indian Metal Casting (Foundry Industry) production is estimated to be 9.344 Million MT of various grades of Castings (Source: Indian Institute of Foundrymen). Grey iron castings have the major share i.e. approx. 68% of total castings produced. The castings produced by foundries make way into various other end user sectors like the automotive, construction, heavy machinery, railways, valve and general engineering. Foundry Industry has a turnover of approx. USD 15 billion with exports of approx. USD 2 billion.

In 2014 the foundries were confronted with problems of excess capacity, lower demand, non-availability of skilled manpower, shortage of power, increase in power tariff and acute shortage of sand in certain parts of the country. Foseco India Limited with its unique strategic solutions partnering approach, highly skilled workforce strategically located teams to service various foundry clusters pan India, portfolio of over 400 products ably supported the industry in facing the upcoming challenges. It also helped business performance and saved operational costs of many foundries. Some examples:

- Reduction in loss of metal at a reputed plant in India. Foseco was adjudged as the **Best Innovative Solutions Partner by this esteemed company**. This was achieved by understanding the process and recommending multiple lining of ladle with Foseco technology.
- Significant reduction in rejections at an automotive foundry producing ventilated break discs. Foseco achieved this through installation of Process Control Equipment, Application expertise and appropriate Product technology.

## Operations

Foseco India Limited manufactures its products in India at two manufacturing locations, Sanaswadi - Pune and Puducherry. It also imports products from its group manufacturing locations in other parts of the world. The Company's products range from resins, coatings, feeding systems, ferrous and non-ferrous metal treatment materials and greensand additives.

With a significant strength of 225 employees, Foseco India Limited drives its factories with best-in-class manufacturing practices in a Cellular operation. Each cell team has an end-to-end responsibility for the entire supply chain process- from purchase of raw materials, manufacturing and final distribution. This workflow also ensures that the entire cell team is responsible for safety, quality, production, costs and customer service.

Operational excellence tools have been progressively used to reinforce the customer service levels, reduce non-value adding processes and making the system more flexible and efficient. In past several years, we have adopted Lean manufacturing and taken several initiatives thereof e.g. training all employees on Lean tools such as VSM (Value Stream Mapping), loss intelligence, process standardization, 5S, Kaizens, OEE (Overall Equipment Effectiveness), 8D problem solving and visual management. During 2014, the shop floor Cell Assistants completed

over 650 Kaizens delivering improvements in efficiency and safety standards.

## INFORMATION TECHNOLOGY

The Company believes that Information Technology is a strategic enabler and delivers a sustainable advantage. To achieve this, agility is of the essence and plans for change are in place. Accordingly, the existing ERP, J D Edwards, will be upgraded for delivering greater business value. A project team has been formed and the migration to a new environment has been planned in the next financial year. The existing Customer Relationship Management (CRM) software will also be upgraded to seamlessly integrate with the new ERP environment. This will continue to assist the Customer Service team in successfully managing relationships with customers.

The Company has also embarked on a 'Green' technology mission. The Company has virtualised the server as well as the desktop environment to reduce the carbon footprint of the computing operations.

The IT processes of the Company are accredited to the ISO 9001:2008 standard.

## Human Resources

The people of Foseco India Limited are its greatest strength. The success of the Company and good track record are largely attributable to the remarkable commitment, dedication and hard work of the employees. The Company has strongly embedded core values and all employees are trained and encouraged to use these values in their daily operations and the bases for making decisions. It is proud of its sound organisational design, high technical capability and techno-commercial skills of its employees which are unparalleled in the Industry.

The Company's business strategy of Solutions Partnering requires that its employees are continuously at the cutting edge of foundry technical knowledge and commercial skills. In pursuance of this objective Foseco India Limited has established the Group's only CENTER OF EXCELLENCE (COE) facility for Competency Development. This is equipped with a library/repository of knowledge and state-of-art infrastructure. This Centre assesses, develops and reviews competencies of the key staff and provides an environment for learning through interaction with experts and access to case studies. In the year 2014, technical training programs were conducted for solutions groups and a Competency Framework was launched for the Application Engineers.

A performance management systems based on the Balanced Scorecard framework (only company in the Group having implemented this upto the shopfloor) was put in place in 2010. This has helped to ensure all employees are aligned and focused on key objectives and key performance indicators critical for the Company's performance. Remuneration and performance are strongly linked together through bonus schemes and increments.

## Health, Safety and Environment (HSE)

Foseco India Limited strives to achieve the highest standards of Health, Safety and Environment practices. The Company has a clear HSE monitoring process for each of its operations and an Integrated (Quality, Health, Safety and Environment) Management System (IMS) accredited to ISO 9001:2008, ISO 14001:2004 and OHSAS 18001-2007. It continuously drives "Behavioural Based Safety" and other initiatives such as identification and completion of safety improvement opportunities, safety audits by all employees, regular monthly HSE team meetings and Turbo S programme focusing on the next level of safety culture. In 2014, standardized work instructions (SWIs) were developed for all routine activities and group safety standards on electrical safety and Legionella were implemented. A safety culture journey has been launched with a safety perception survey amongst the employees and will be pursued in the coming years. This will strengthen the foundation for sustainable safety performance.

Foseco India Limited has proactively started an initiative to reduce its carbon footprint and successfully achieved 5% lower emissions in 2014 through changeover to LED lighting in the plants and major reduction in energy and fuel consumption in ovens. The Company's efforts in HSE and 5S were recognised by Deccan Chambers of Commerce Industry and Agriculture (DCCIA) and also by the Group which conferred the District Safety Award for 2 years in a row. Foseco India Limited continues its journey of providing safe and quality products to its customers and has the aspiration to be one of the best industrial enterprises in HSE standards.

### Financial Performance

The efforts of the employees, support from suppliers and continued patronage of our esteemed customers helped Foseco India Limited record an impressive performance in a very challenging and weak business environment.

Table 1: Abridged Profit and Loss Account (Rs. In Lacs)

	2014	2013
Net Sales (including other income)	26673	22945
Operating Expenses	22417	19694
EBDIT	4256	3252
Depreciation	465	512
PBIT	3791	2740
Finance Charges	17	26
PBT	3774	2714
Tax	1315	931
PAT	2459	1783

In 2014, Foseco India Limited recorded 21% higher sales due to aggressive deployment of strategies and focussed penetration of its strong portfolio offerings. For the year 2014, PAT on net sales increased from 7.7% to 9.3%. The improvement in margins was contributed by various cost improvement actions, tight control on discretionary expenses, higher value creation and capture at customers, improvement in product mix and through maximisation of the value chain efficiency. The Company generated Rs. 2529 Lacs of funds from its operating activities in 2014 as against Rs. 2169 Lacs in the previous year.

Table 2: Key Financial Ratios

	2014	2013
PBIT/Net Sales	14.21%	11.94%
PAT/Net Sales	9.22%	7.77%
ROCE	34.05%	28.19%
RONW	23.34%	20.03%
Debt/Equity	0.06	0.09

### Future Outlook

The unfolding economic and industrial scenario in India and the world will influence the company's performance in the coming period. The current market conditions remain uncertain although there are hopes of an economic recovery with the new government. The Company will continue to pursue growth based on its philosophy of generating profits through creation of the "Greatest Value" for its customers. Foseco India Limited has reviewed its strategic objectives and is geared to tap new

opportunities in the marketplace and develop innovative solutions for its customers. Its focus will remain on strategic growth initiatives for business expansion and sector penetration.

### 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 authorized, recorded and reported quickly. In addition, the Company has a well-structured system of risk management 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 control is 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 this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downturn in the foundry and casting industry - global, domestic or both, significant changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations.**

# Corporate Social Responsibility (CSR) Policy

## Preamble:

CSR is a commitment on the part of an organisation to adopt appropriate strategies and projects for the welfare of the people and society at large. The people and the society are the ultimate beneficiaries. The CSR activity covers the process by which an organisation develops and defines its relationship with the ultimate stakeholders contributing to the common good of the society.

The most important condition on which the success of any CSR initiative hinges is sustainability i.e., all decisions should be based only on the society and the environment in which it lives.

Therefore, it is the core corporate responsibility of Foseco India Limited ("the Company") to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

The Company recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. 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.

## Purpose:

To attain its CSR objectives in a professional and integrated manner, the Company shall:

- Commit 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 socio-economic 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.

## Activities:

The CSR activities undertaken by the Company and the related expenditures incurred, shall mean and include, but not limited to:-

- eradicating extreme hunger and poverty;
- promotion of education;
- promoting gender equality and empowering women;
- reducing child mortality and improving maternal health;
- combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- ensuring environmental sustainability;
- employment enhancing vocational skills;
- social business projects;
- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- such other matters as may be prescribed.

The CSR activities shall be undertaken, as projects or programs or activities (either new or on-going), including expenditures incurred, but excluding activities undertaken or expenditures incurred in pursuance of its normal course of business.

The Board of the Company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a

registered society established by the Company or its holding or associate Company under section 8 of the Act or otherwise:

Provided that-

- (i) if such trust or society is not established by the Company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
- (ii) the Company will, on a case-to-case basis, specify the project or programmes to be undertaken through these entities, the modalities of utilization of funds on such projects and programmes and the monitoring and reporting mechanism;

The Company may also collaborate with other companies or Non-Governmental Organisations (NGOs) for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies or NGOs are in a position to report separately on such projects or programmes in accordance with these rules.

The Company may grant donations to the NGOs provided the funds are earmarked as a part of the corpus of the NGOs and are used for the specified purposes stated by the Company.

The CSR spend shall include all expenditures, direct and indirect, both capital and revenue expenditure. Surplus funds, if any, allocated for CSR activities or arising out of CSR activities shall be ploughed back into the CSR activities only and shall not form part of business profits of the Company.

Subject to the provisions of sub-section (5) of section 135 of the Act, the CSR projects or programmes or activities undertaken in India only shall amount to CSR Expenditure.

The CSR projects or programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with Section 135 of the Act.

The Company may undertake following activities, in addition to the above:

- Encourage girl child education by providing appropriate infrastructure to the underprivileged families and groom them as future value creators.
- Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life.
- Emphasize on providing basic nutrition/health care facilities with special focus on establishing health centres for the mother and child as well as the elderly.
- Facilitate water conservation by reducing water consumption at the plants and taking up rain water harvesting projects.
- Create a business value chain which is sustainable – environmentally + socially + economically.
- Promote an inclusive work culture.
- Work towards generating awareness for creating public infrastructure that is barrier free, inclusive and enabling for all including the elderly and the disabled.
- Create positive awareness towards the need to adopt measures that lead towards reducing carbon footprints, dependence on fossil fuels and promote alternate energy approaches.
- Promoting the well-being and development of employees and their families through an inspiring corporate culture that engenders good values.
- Employee participation is an important part of developing responsible citizenship. Our Company encourages and motivates employees to spend time volunteering on issues of their interest.

## CSR Committee:

The Company will govern the CSR activities through a Committee of the Board comprising three or more Directors including at least one Independent Director. The CSR Committee will report to the Board.

The Committee shall approve all CSR projects/programs undertaken by the Company. It will also approve the NGOs with whom the Company will collaborate or contribute to for CSR programs. The Committee should meet at least once a year.

All projects and program above a value of Rs. 10 Lac will also be subjected to an annual financial audit by a third-party auditor as part of a regular financial audit.

The Committee will also prepare the draft CSR report at the end of the year for approval by the Board for reporting to the shareholders. The Company's Annual Report pertaining to financial year 2015 would include the Annual Report on CSR as per the particulars specified under CSR rules.

The Report shall include a responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

#### **Implementation Mechanism:**

The Company will implement the CSR through a core team of Company employees headed by the Managing Director. The core team will implement the activities and report to the CSR Committee.

#### **Monitoring Mechanism:**

Each of the Company's CSR projects and programs would have clearly defined output, outcome and process indicators which will have to be reported at specified frequencies. All projects and program will be monitored by the CSR Committee. The monitoring process will cover any modifications to the policy, including the CSR structure, program and financial reviews.

All the projects recommended above would be evaluated from the perspective of time frames and social impact. The company would also ensure accountability for the funds invested in the NGO's project through continuous monitoring of the project's progress.

#### **Partnerships:**

Collaborative partnerships will be formed with the Government(s), District Authorities, NGOs and other like-minded stakeholders. This helps widen the Company's reach and leverage.

#### **Budgets:**

A specific budget is allocated for CSR activities. This budget should be project driven.

The Company shall spend, in each financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years. The average net profit shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for the activities.

#### **CSR Expenditure:**

CSR expenditure shall include all expenditure, direct or indirect, capital or revenue, incurred by the Company for projects or programmes relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but will not include any expenditure on an item not in conformity with activities which fall within the purview of the Schedule VII of the Act.

The amount to be spent on CSR activities shall be calculated in accordance with the provisions of the Companies Act, 2013 and Rules and notification issued thereunder. Any shortfalls in the expenditure may be made up by contributions to approved Funds. Any surplus arising out of CSR projects, programmes or activities shall not form part of the business profit of the Company.

#### **Information dissemination:**

All disclosures, display and reporting requirements related to CSR activities will be made in accordance with the provisions of the Companies Act 2013, its Rules and the notifications issued by the

Ministry of Corporate Affairs from time to time. Information on CSR activities will be uploaded to the website of the Company [www.fosecointia.com](http://www.fosecointia.com) and also reported in the Directors Report to Shareholders.

#### **Management Commitment:**

The Board of Directors, the Management and all employees subscribe to the philosophy of compassionate care. We believe and act on generosity and compassion, characterised by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

# Code of Conduct and Ethics

## Introduction

Foseco India Limited is firmly committed to conducting its business and relationships with all stakeholders including employees, customers, suppliers, shareholders and business associates in a manner that is lawful and ethically responsible and at all times, in a way that reflects Company's values. This code is a commitment to ethical professional conduct by the Board of Directors and all employees of Foseco India Limited.

Since this code cannot anticipate every situation that may arise, it is intended to provide guidance rather than detailed regulations. In situations that are complex or unclear, employees are encouraged to discuss the matter with colleagues and to apply the fundamental principles of the code and Group's values.

This code's guidelines are explained in the following sections;

## Conflict of Interest

All Directors and employees must ensure that they are not compromised by conflicts of interest. A conflict of interest exists when the person's personal or professional interest is, or appears to be, adverse to the interests of Foseco.

Examples of possible conflicts of interest include;

- Any ownership interest in any supplier, competitor, customer or business associate of the Company.
- Any agency, consulting or employment relationship with any supplier, competitor, customer or business associate of the Company.
- Any outside business interest or activity which detracts from an individual's ability to satisfactorily perform his or her Foseco role.
- Being in a position of employing, supervising, reviewing or having any influence on the performance assessment or benefits of any relative, associate or partner.
- Any situation in which a Director or employee, member of his or her family or an organisation with which the Director or employee is affiliated, receives improper benefits as a result of the Director's or employee's position.

When any potential conflict of interest arises the Director or employee needs to make a full and immediate disclosure to the Chairman, Managing Director or the Compliance Officer. By promptly and openly making a disclosure, discussion will help to identify if a genuine conflict exists and if it does, how best to resolve the situation. If the possible conflict is not disclosed then there is a high risk that the Director or employee will be assumed to be behaving in contravention of this code.

At the conclusion of the discussion a written approval or denial will be issued.

## Honest & Ethical Conduct

Directors and employees shall act with the highest standards of personal and professional integrity and honesty in their roles as Foseco brand ambassadors. Such behaviour includes:

- Not seeking competitive or other advantage through dishonest, corrupt, unlawful or anti-competitive business practices.
- The full, fair, accurate, timely and understandable disclosure in management accounts and other internal documents of information required by the Board, other employees or the Company's business associates.

- The improper giving or receipt of any personal gifts or payments in return for business. Building close relationships at a business level may involve legitimate business entertainment consistent with the circumstances and seniority of the guest but must never be excessive or of an inappropriate kind. Cash giving or receiving is not acceptable in any circumstances.
- Dealing fairly with all investors, employees, customers and business associates.
- Not taking unfair advantage of anyone through the misrepresentation, manipulation or concealment of information.
- Not soliciting, accepting or agreeing to accept anything of value for the benefit of any person or organisation doing or seeking to do business with Foseco.
- Undertaking our professional roles with political independence. The Company does not make political donations or behave in any way so as to favour any political organisation.

## Confidentiality

Directors and employees must protect confidential information entrusted to them by the Company, its customers and all business associates. This includes all information not in the public domain, which, if disclosed, might be of use to competitors or harmful to the Company, its customers or business associates in any way.

The obligation to safeguard confidential information continues after employment with Foseco has ended through the terms of the employee's Service Agreement.

An exception to this is when disclosure is legally mandated.

## Corporate Opportunities

Directors and employees have a duty to the Company to advance its legitimate interests at every opportunity.

Directors and employees are prohibited from;

1. Taking for themselves, a relative or associate opportunities that are discovered by virtue of their position in the Company
2. Competing directly or indirectly with the Company
3. Using Company property, assets or resources for the benefit of themselves, relatives or associates.

If a Director or employee reasonably believes that a contemplated transaction might be a corporate opportunity or a competitive transaction, the Director or employee must make a full written disclosure to the Chairman or a Managing Director (if a Director) or Compliance Officer (if an employee). The proposed transaction will either be approved or denied.

## Protection & Proper Use of Company's Assets

Directors and employees should protect the Company's assets and ensure their efficient use for legitimate business purposes only.

## Equal Opportunities Employer

Foseco India Limited is committed to being an equal opportunities employer and will recruit, develop and promote employees based only on a transparent and meritocratic assessment of the person's suitability to perform his or her role. Any form of bias including disability, nationality, gender, sexual orientation, caste, age, race or religion is considered totally unacceptable.

## Health, Safety & the Environment

Foseco India Limited is fully committed to the health, safety and well being of its employees and to minimizing the environmental impact of its business operations. Directors and employees are expected to uphold this commitment.

## Company Policies & Values

The Company has a range of policies, including its Quality, Health, Safety and Environment policies to guide employee work practices, actions and decisions. The Company strives to continually improve the effectiveness of its policies and employees are encouraged to contribute to this process.

All employees are obliged to ensure that they fully understand all policies and that they fully comply.

All employees have committed to live Foseco's values every day;

- Creativity
- Cooperation
- Reliability
- Integrity
- Embracing Diversity

## Duties of Independent Directors

The Independent Directors are expected to comply with the requirements laid down under Section 166 read with Schedule IV of the Companies Act, 2013. The same is reproduced below:

Section 166

- (1) Subject to the provisions of this Act, a director of a Company shall act in accordance with the articles of the Company.
- (2) A director of a Company shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a Company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- (5) A director of a Company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
- (6) A director of a Company shall not assign his office and any assignment so made shall be void.

Schedule IV

Duties :

The Independent Directors shall-

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- (3) strive to attend all Meetings of the Board of Directors and of the

Board committees of which he is a Member;

- (4) participate constructively and actively in the Committees of the Board in which they are Chairpersons or Members;
- (5) strive to attend the General Meetings of the Company;
- (6) where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the Minutes of the Board Meeting;
- (7) keep themselves well informed about the Company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- (10) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

## Liability of Independent Director

As per Clause 49 II (E) (4) of the Listing Agreement - An Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect of the provisions contained in the Listing Agreement.

## Compliance with the Code

Supporting employees to fully understand and comply with this code is in the best interests of the Company, its customers, shareholders, employees and business associates. Therefore, employees are encouraged to seek clarification from either their functional head or the Managing Director when in doubt about the best course of action to take in a particular situation.

Any employee who becomes aware of an existing or potential breach of this code is required to promptly notify the Chairman or Managing Director.

Violations of this code could result in disciplinary action up to and including dismissal of and legal action against, the individuals responsible.

# Whistleblower Policy

## Introduction

Foseco India Limited is firmly committed to conducting its business and relationships with all stakeholders including employees, customers, suppliers, shareholders and business associates in a manner that is lawful and ethically responsible and at all times, in a way that reflects the Company's values. It will not tolerate attitudes or activities that constitute a breach of law or trust or infringe collective or individual liberties in any way. This approach is described in the Company's Code of Conduct & Ethics.

The Whistleblower policy formalises Foseco's commitment to enabling employees and business associates to make fair and prompt disclosure of circumstances where it is genuinely believed that a part of Foseco's business is engaged in inappropriate practices and that the Code of Conduct & Ethics is being violated. The policy sets out arrangements that encourage individuals to report concerns about unethical behaviour, actual or suspected fraud or violations of the Code of Conduct & Ethics, knowing that in so doing, they are acting in the best interests of all Foseco stakeholders. This policy also ensures that the whistleblower will be protected from retaliation and reprisal.

Normally any such concern about a workplace situation should be raised with the employee's immediate line manager or if identified by a business associate, raised with the appropriate member of the Foseco India Management Team. However, it is recognised that because of the seriousness and sensitivity of some issues, together with the knowledge of who the employee or business associate thinks may be involved in wrongdoing, this may be difficult or even impossible.

## Scope of Policy

This policy is intended to cover any concerns which are in the public interest. These might include:

- Breach of any internal controls or Company policy relating to financial malpractice or fraud
- Failure to comply with a legal obligation
- Dangers to health and safety of the environment
- Criminal activity
- Miscarriage of justice
- Improper conduct or unethical behaviour
- Violation of the Company's Code of Conduct & Ethics
- Attempts to conceal any of the above

This is not intended to be a complete list and any matter raised under this policy will be considered seriously. However, matters of purely operational nature should not be raised under this policy. Instead such matters should be raised through the usual organisational channels.

## Safeguards

### Protection

This policy is designed to offer protection to those employees or business associates who disclose such concerns provided the disclosure is made in:

- i. Accordance with the procedures laid down,
- ii. Good faith, and
- iii. The reasonable belief of the individual making the disclosure that malpractice has taken place.

### Confidentiality

The Company will treat all such disclosures in a sensitive manner and will endeavour to keep the identity of an individual making an allegation confidential. However, the investigation process may inevitably reveal the source of the information and the individual, making the disclosure may need to provide a statement which cannot be kept confidential if legal proceedings arise.

### Anonymous Allegations

This policy encourages individuals to put their name to any disclosures they make.

### Untrue/Malicious/Vexatious Allegations

If an individual makes an allegation, which is not confirmed by subsequent investigation and then it shows that an individual has made malicious or vexatious allegations for personal leverage and particularly if he or she persists with making them, disciplinary action may be taken against the concerned individual.

### Procedure for Making a Disclosure

Employees are entitled to make their disclosure in the first instance through their line manager or if they feel it would be more appropriate to approach directly the Compliance Officer, the Managing Director, the Audit Committee Chairman or the Chairman of the Board.

Contact should be made by phone, email or in writing and should include as much detail and evidence as possible. Upon receipt of the disclosure the matter will be investigated immediately to ascertain all the facts and a recommendation will be made to the Board. The recommendation will include a revision of Company policies and procedures to reduce the risk of re-occurrence.

### Protection Against Retaliation

Foseco commits to ensure that no retaliatory action, of any sort, will take place against any employee or business associate making a disclosure in good faith.

### Reporting

The Compliance Officer, the Managing Director, the Chairman of the Audit Committee or the Chairman of the Board will be responsible for reporting any whistleblowing disclosures to the Audit Committee.

## Contacts

The relevant contacts are :

Person	Position	Email Address	Contact Number
Ajit Shah	Chairman - Audit Committee	ajit.shah@maprikh.co.in	---
Sanjay Mathur	Managing Director	sanjay.mathur@foseco.com	+91-(02137) 668201 +91-(0)98233 89648
Pradeep Mallick	Chairman of the Board	pradeep.mentordom@gmail.com	---
R Umesh	Compliance Officer	r.umesh@foseco.com	+91-(02137) 668233 +91-(0)98230 52934

# Integrated Management System Policy

As a leading provider of consumable products and services to the foundry industry, Foseco India is committed to ensuring a safe and healthy environment for our employees, business partners and the localities in which it operates, through the proactive management of the health, safety and environmental matters under our control.

## Quality, Health, Safety and Environment policy

We will operate all work and business activities to ensure that

- the quality of our products and services consistently meets the requirements of our internal and external customers
- we proactively prevent customer issues, injuries, ill health and negative effects to the environment
- health, safety and environmental, legal and other obligations are complied with
- we continuously improve our performance in Quality, Health & Safety and Environmental Management Systems.

## Organization and Responsibilities

- Quality, health & safety and environmental matters are a mainstream management responsibility.
- Every employee is responsible and accountable for the health, safety, environmental matters and quality in activities under their control. Working safely is a condition of employment.
- All employees, contractors, service providers and suppliers are expected to participate positively in the task of improving the quality of our products and services, preserving workplace health and safety and achievement of our environmental aims.

## Our Beliefs

- Good Quality, Health & Safety and preserving Environment is Good Business.
- All quality issues, environmental incidents and work-related injuries & ill-health are preventable.
- Safety is everybody's responsibility.
- All employees have a responsibility to ensure that whatever we deliver is right and contribute to protect the environment.

## Our Aims

- No poor quality material is passed to the next step in our processes and no out-of-specification product is shipped.
- **No repeat customer issues.**
- No accidents and no harm to people.
- Reduction in waste at source and during production.
- Minimise consumption of energy, water and other resources.
- Minimise release of substances which could adversely affect humans or the environment.

## Our Commitments:

We will

- raise the profile of quality, health & safety and environmental issues and openly address them.
- thoroughly investigate any health & safety incident to learn, share and avoid repeats.
- welcome quality concerns raised by our customers, employees and suppliers as opportunities for improvement and pro-actively tackle them.
- undertake health, safety & environmental risk assessments to identify hazards, prioritise and remove any deficiencies and have appropriate safe work procedures.
- build quality and environmental protection into our products and processes.
- abide by simple and non-negotiable standards.
- provide training to all employees and contractors to ensure that they understand their responsibilities and are able to act accordingly.
- work pro-actively with our suppliers to develop our mutual capabilities.
- ensure every manufacturing location has an appointed Quality, Health, Safety and Environmental Manager or Coordinator.

# Strategic Risk Management Policy

## Business Purpose

The Vesuvius plc, operates globally with manufacturing and representation in countries with developed foundry and primary steel manufacturing industries. The Foundry Division marketing and technology led business-to-business product sales are managed via regional management.

Foseco Foundry Division of Vesuvius plc, supplies foundry consumables that are designed to improve process capability, yield efficiency and resource utilisation in the foundry process. Main product areas include feeding aids, filtration, ferrous and non-ferrous metal treatment, binders, coatings, molten metal transfer and moulding materials. A unique level of technical and commercial service support differentiates Foseco Foundry's product offering.

## Strategic Objectives

The primary Group Strategic Risk Management Objective is to protect the value of the Group on behalf of the shareholders. Within this policy there is a requirement to protect the generation of cash flows and profits through the supply of products and services to customers.

## Benefits

It is recognised that, through effective management of risk and uncertainty, including both upside and downside risks, benefits accrue to all areas of the Group through maximising of opportunities and minimisation of threats.

## Resources

Vesuvius plc, through its Finance, Human Resources, Marketing, Operational, Technical, Intellectual Property, Insurance and Risk Management personnel provide functions and services to the Group. The Foundry Division possesses significant Risk Management embedded in its existing management processes. To facilitate an effective process, existing risk management processes should be incorporated into the Division framework where appropriate.

## Combined Code

The combined code principles of good governance and code of best practice requires the Board to maintain a sound system of internal control to safeguard shareholders' investment and the Company's assets. The Turnbull report on the Combined Code provides guidance on assessing the effectiveness of the Company's risk and internal control processes which is reflected in this policy.

In order to satisfy the requirements of the combined code, it is the policy of the Group that the following should be carried out:

## Management of Risk Process: Frameworks and Techniques

Appropriate, tailored frameworks that relate to key features of the business processes and are compatible with existing Company culture and management processes should be used as a basis for:

- Analysing (identifying, describing and estimating) risks
- Identification of risk owners

- Setting of acceptable levels of risk
- Evaluating the risks against acceptable levels of risk
- Identification and implementation of controls
- Monitoring of residual risks and the effectiveness of controls
- Reviewing and reporting on the Risk Management process at appropriate intervals, at least annually.

Risk Management techniques should be appropriate to the context and should take into account costs and benefits. Group Risk Management should be developed on a consistent and repeatable basis through the adoption and transfer of best practice in line with business needs.

## Risk Appetite

The exposure of the Group to risks should be maintained at a level acceptable to the Board of Directors, on behalf of the shareholders, that is reviewed and determined at appropriate intervals by the Board of Directors or their nominees. Depending on availability and cost effectiveness, risk may be transferred or retained as appropriate.

## Responsibilities and Ownership

- Vesuvius plc should manage global level strategic, high impact risks and interdependencies between businesses and policies.
- The Executive for each SBU should manage SBU specific strategic risks.
- Regional management should manage region specific strategic risks, programme and project risks.
- Operating Company management teams should manage operational risks.

## Escalation and Reporting

Criteria and thresholds for escalating and reporting risks and occurrences to a strategic level should be reviewed and notified at least annually. Reporting on key risks to the Board of Directors and the Executives should be carried out on a regular basis at a frequency determined by the Board of Directors or their nominees at least annually.

## Documentation

Risk Registers and Summary Risk Profiles should be maintained covering all significant risks capable of impacting on the Group / Operating Company at Strategic and Operational levels respectively. The Board of Directors or their nominees should review the Registers and thresholds for impact and probability at appropriate intervals, at least annually.

## Auditing

Group Risk Management should be subject to internal and external audits at a frequency determined by the context and external and internal requirements.

## Dissemination of Information to the Market

**1. Introduction:** This document briefly summarises the policies and guidelines adopted by Foseco India Limited in relation to the Company's communications with investors, analysts and the Market generally. Any amendment to the Company's policies on these matters requires the approval of the Board of Directors.

**2. Responsibility for Communications:** The following individuals have exclusive responsibility (subject to the directions from the Board) for the Company's communications with the Market:

Pradeep Mallick	-	Chairman
Sanjay Mathur	-	Managing Director

In the normal course, no other individuals within the Company are authorised to communicate with the investors, analysts or the Market without the actual involvement or express permission of at least one of the persons named above. The Company will arrange for appropriate training and advice to be provided to any individual involved in Market communications.

### UNAUTHORISED COMMUNICATIONS ARE PROHIBITED.

**3. Preparation and Release of Announcements:** The Company is required to take reasonable care in the preparation of formal announcements. The individuals named in Section 2 above will be responsible for coordinating the review and checking of announcements, in conjunction with advisers. It is particularly important to confirm in each case that nothing has been omitted which makes an announcement misleading. Verification procedures may also be necessary and undertaken with the assistance of advisers and the Company's Auditors prior to the release of some announcements to ensure no incorrect statement is made and that due consideration has been given to the content.

No announcement (including financial results) may be released without the express authority of the individuals named in Section 2 above, following the approval by the Board where required.

Release of announcements containing inside information must be made as soon as possible and posted on the Company's website by the end of the business day. If the Company is faced with an unexpected and significant event, a short delay may be acceptable if it is necessary to clarify the situation.

Further, the Company must take reasonable care to ensure that the disclosure of inside information to the public is synchronised as closely as possible in all jurisdictions in which its securities are traded.

**4. Communications with Analysts:** There are legal risks in relation to "early or selective disclosure" of relevant information to third parties, including analysts. The Company's policy is that:

- as a strict rule, no meetings or scheduled communications with analysts will take place during closed periods;
- at no time can inside information be discussed with analysts;

- following release of interim or final financial results, the Company may discuss current trading in similar terms to any comments made in the announcement but will not brief analysts on expectations for results in the current year;
- communications with analysts outside closed periods are likely to be more frequent but in any event no unpublished relevant information will be revealed and care will need to be taken to avoid inadvertently divulging inside information, for example, where cumulative disclosure could amount to inside information;
- the Company will keep a contemporaneous note of meetings with analysts and try to ensure at least two representatives of the Company are present; and
- the Company will not correct an analyst's estimates or conclusions which it believes to be mistaken (whether in a draft or a published report), but through a formal announcement may correct any widespread misapprehension in the Market regarding the Company's trading or prospects.

**5. Insider Lists:** The Company must ensure that it and persons acting on its behalf (for example banks, accountants and lawyers) or on its account, draw up and maintain a list of those persons working for them, whether under a contract of employment or otherwise who have access to inside information relating, directly or indirectly, to the Company, whether on a regular or occasional basis. The Company must also ensure that those on the insider list acknowledges the legal and regulatory duties entailed and are aware of the sanctions for misusing or improperly circulating the Company's inside information. Insider lists must be kept for at least five years from the date on which they are drawn up or updated, whichever is the latest.

**6. Records:** A record should be kept of any meetings or other scheduled communications with analysts, investors or journalists. Documents relating to the preparation and approval of the financial results and other announcements (including contemporaneous records of the Company's reasons for not making an announcement or for delaying an announcement) relating to Market communications, should always be prepared with care. This will include board minutes, internal memos, notes of meetings and board packs.

**7. Journalists / Newspapers:** Similar rules apply to communications with journalists as in the case of analysts. Inside information should not be released to a single journalist, analyst or newspaper.

**8. Leaks and Press Speculation:** The Company will not normally comment on rumours or speculations which appear in the media. If it appears that important unpublished information which amounts to inside information has been leaked to a newspaper, urgent consideration will be given to whether an announcement should be made. If the Market has reacted to the leak, a prompt announcement will normally be needed. An announcement may also be required if press speculation or market rumour regarding the Company is largely

accurate without a leak having occurred and the information underlying the press speculation or market rumour is inside information to which the Market is reacting and the confidentiality of the inside information cannot be ensured. However, the more accurate a rumour, the more likely it is that there has been a breach of confidentiality and that an announcement should be made as soon as possible. In addition, if there is a danger of inside information leaking before the facts and their impact can be confirmed or wherever the confidentiality of inside information cannot be ensured, a holding announcement should be released immediately. The level of detail required will depend on the circumstances.

However, the knowledge that a rumour or press speculation is false is not likely to amount to inside information. In the event it does amount to inside information, it may be possible for the Company to delay disclosure in accordance with the Disclosure Rules.

**9. Trading Updates:** In addition to regular announcements, consideration will be given at appropriate times to the formal release of trading updates (to enable fuller communication with the Market).

**10. Other Announcements:** During a closed period or at other times, the Company may be required to announce a significant development, such as a new contract or "preferred bidder" status on a concession. If such an announcement is required during a closed period, brief comment on the Company's forthcoming results may be misleading and should normally be avoided.

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

**28 January 2015**

## **CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

We hereby certify that we have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31 December, 2014 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. 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.
3. 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.
4. 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 control systems, if any, of which we are aware, and that we have taken the required steps to rectify these deficiencies.
5. 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.
  - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Sanjay Mathur**  
Managing Director

**R Umesh**  
Chief Financial Officer

# Financial Statements 2014

# Independent Auditors' Report

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## **B S R and Co**

Chartered Accountants

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Pune - 411 001, India

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### **To the Members of Foseco India Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Foseco India Limited** ("the Company"), which comprise the Balance Sheet as at 31 December 2014, the Statement of Profit and Loss and the Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 December 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash flow statement, of the cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by Section 227(3) of the Act, we report that:

## Independent Auditors' Report (continued)

- a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
- e) on the basis of written representations received from the Directors of the Company as on 31 December 2014, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31 December 2014 from being appointed as a Director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.

Mumbai  
28 January 2015

**For B S R and Co**  
*Chartered Accountants*  
Firm Registration No : 128510W  
**Vijay Mathur**  
*Partner*  
Membership No: 046476

## Annexure to the Auditors' Report - 31 December 2014

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With reference to the Annexure referred to in the Auditors' Report to the Members of Foseco India Limited ('the Company') on the financial statements for the year ended 31 December 2014, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets. All the fixed assets were physically verified during the year and confirmations have been obtained for certain assets lying with the third parties. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) (a) The inventory, except goods in transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.
- (b) The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records have been appropriately adjusted.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 / section 189 of the Companies Act, 2013 (as applicable).
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods sold and certain services rendered by the Company are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and provision of services. We have not observed any major weaknesses in the internal control system during the course of the audit.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 / Section 189 of the Companies Act, 2013 (as applicable) have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs. 5 lacs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, except for purchases of certain items of inventories and fixed assets which are for the Company's specialised requirements and similarly for sale of certain goods for the specialised requirements of the buyers and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956/ Section 128 (1) read with Section 148 (1) of the Companies Act, 2013 (as applicable) in respect of the Company's products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Wealth Tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Wealth Tax and other material statutory dues were in arrears as at 31 December 2014 for a period of more than six months from the date they became payable.

## Annexure to the Auditors' Report - 31 December 2014 (continued)

- (b) According to the information and explanations given to us there are no dues of Income Tax, Wealth Tax, Service Tax and Customs Duty which have not been deposited by the Company on account of disputes other than the following dues of Excise Duty and Sales Tax:

Name of the Statute	Nature of the Dues	Amount (Rs in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	7.68	November 1994 - March 1995	CESTAT Chennai
Central Sales Tax Act, 1956	Sales Tax	20.53	2003-04 to 2005-06	The Joint Commissioner of Commercial Taxes (Appeal)

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding debentures or dues to financial institutions during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that funds raised on short-term basis have not been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956 / Section 189 of the Companies Act, 2013 (as applicable).
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Mumbai  
28 January 2015

**For B S R and Co**  
Chartered Accountants  
Firm Registration No : 128510W  
**Vijay Mathur**  
Partner  
Membership No: 046476

## Balance Sheet as at 31st December 2014

	Note No.	2014 Rs. Lacs	2013 Rs. Lacs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	638.65	638.65
Reserves and Surplus	2	9,148.58	8,258.67
		<b>9,787.23</b>	<b>8,897.32</b>
<b>Non Current Liabilities</b>			
Long Term Borrowings	3	358.03	580.96
Other Long Term Liabilities	4	70.22	93.84
Long Term Provisions	5	170.33	149.14
		<b>598.58</b>	<b>823.94</b>
<b>Current Liabilities</b>			
Trade Payables	6	3,177.49	3,159.96
Other Current Liabilities	7	702.93	525.77
Short Term Provisions	8	924.95	1,266.43
		<b>4,805.37</b>	<b>4,952.16</b>
	<b>TOTAL</b>	<b>15,191.18</b>	<b>14,673.42</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets	9		
- Tangible Assets		2,610.13	2,779.14
- Intangible Assets		0.74	2.86
- Capital Work-in-Progress		6.00	-
- Intangible Assets Under Development		50.31	-
Non Current Investments	10	2.92	8.18
Deferred Tax Assets (Net)	11	155.48	125.46
Long Term Loans and Advances	12	683.29	1,188.79
		<b>3,508.87</b>	<b>4,104.43</b>
<b>Current Assets</b>			
Inventories	13	1,346.04	1,158.26
Trade Receivables	14	7,310.59	6,430.45
Cash and Bank Balances	15	2,808.72	2,601.03
Short Term Loans and Advances	16	206.39	372.72
Other Current Assets	17	10.57	6.53
		<b>11,682.31</b>	<b>10,568.99</b>
	<b>TOTAL</b>	<b>15,191.18</b>	<b>14,673.42</b>
<b>Significant Accounting Policies</b>	<b>27</b>		
<b>Notes to Financial Statements</b>	<b>28</b>		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**For B S R and Co**  
Chartered Accountants  
Firm Registration No. 128510W

**Vijay Mathur**  
Partner  
Membership No. 046476

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

**Pradeep Mallick**  
Chairman

**Indira Parikh**  
Director

**Sanjay Mathur**  
Managing Director

**R Umesh**  
Chief Financial Officer

**Ajit Shah**  
Director

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

Place : Mumbai

Date : 28th January, 2015

Place : Sanaswadi, Pune

Date : 28th January, 2015

## Statement of Profit and Loss for the year ended 31st December 2014

	Note No.	2014 Rs. Lacs	2013 Rs. Lacs
<b>Revenue from Operations</b>	<b>18</b>		
Sale of Products		28,678.25	25,022.06
Less : Excise Duty		2,832.28	2,613.80
		<u>25,845.97</u>	<u>22,408.26</u>
Sale of Services		8.00	4.20
Other Operating Revenues		482.51	278.47
Total Revenue from Operations		<u>26,336.48</u>	<u>22,690.93</u>
<b>Other Income</b>	<b>19</b>	336.53	254.54
<b>Total Revenue</b>		<b><u>26,673.01</u></b>	<b><u>22,945.47</u></b>
<b>Expenses:</b>			
Cost of Materials Consumed	<b>20</b>	14,805.07	12,989.16
Purchases of Stock-in-Trade	<b>21</b>	562.77	506.81
Changes in Inventories of Finished Goods and Stock-in-Trade	<b>22</b>	53.14	(122.10)
Employee Benefits Expense	<b>23</b>	2,512.67	2,400.29
Finance Cost	<b>24</b>	17.42	26.45
Depreciation and Amortisation Expense	<b>9</b>	465.40	511.87
Other Expenses	<b>25</b>	4,483.01	3,919.46
<b>Total Expenses</b>		<b><u>22,899.48</u></b>	<b><u>20,231.94</u></b>
<b>Profit Before Tax</b>		<b><u>3,773.53</u></b>	<b><u>2,713.53</u></b>
<b>Tax Expense:</b>			
- Current Tax (Includes Rs. 6.97 Lacs provision of earlier years written back)		1,344.54	977.00
- Deferred Tax		(30.02)	(45.52)
<b>Total Tax Expense</b>		<b><u>1,314.52</u></b>	<b><u>931.48</u></b>
<b>Profit for the Year</b>		<b><u>2,459.01</u></b>	<b><u>1,782.05</u></b>
<b>Earnings Per Equity Share:</b>			
- Basic and Diluted		38.50	27.90
Number of equity shares of Rs. 10/- each (refer Note 27 point 1.14)		6,386,459	6,386,459
<b>Significant Accounting Policies</b>	<b>27</b>		
<b>Notes to Financial Statements</b>	<b>28</b>		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**For B S R and Co**  
Chartered Accountants  
Firm Registration No. 128510W

**Vijay Mathur**  
Partner  
Membership No. 046476

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

**Pradeep Mallick**  
Chairman

**Indira Parikh**  
Director

**Sanjay Mathur**  
Managing Director

**R Umesh**  
Chief Financial Officer

**Ajit Shah**  
Director

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

Place : Mumbai

Date : 28th January, 2015

Place : Sanaswadi, Pune

Date : 28th January, 2015

## Notes to Financial Statements (continued)

	2014 Rs. Lacs	2013 Rs. Lacs
<b>Note 1 : Share Capital</b>		
<b>Authorised</b> 7,500,000 (Previous Year 7,500,000) equity shares of Rs. 10 each	<b>750.00</b>	<b>750.00</b>
<b>Issued, Subscribed and Fully Paid Up</b> 6,386,459 (Previous Year 6,386,459) equity shares of Rs.10 each fully paid up	<b>638.65</b>	<b>638.65</b>
<b>Total</b>		
<b>A Details of shareholder's holding more than 5% of shares in the company</b>	<b>Value (Rupees) Number of Shares Percentage</b>	<b>Value (Rupees) Number of Shares Percentage</b>
<b>1 Promoter Group representing 4,788,845 shares cumulatively representing 74.98% of the total paid up capital are held by;</b>		
a) Vesuvius Holdings Limited, United Kingdom - Subsidiary of Ultimate Parent Company	5,440,660 544,066 8.52%	5,440,660 544,066 8.52%
b) Foseco Overseas Limited, United Kingdom - Immediate Holding Company	37,042,190 3,704,219 58.00%	37,042,190 3,704,219 58.00%
c) Foseco (UK) Limited, United Kingdom - Subsidiary of Ultimate Parent Company	5,405,600 540,560 8.46%	5,405,600 540,560 8.46%
<b>2 Public Shareholding</b>		
a) Karibu Limited, United Kingdom	7,332,260 733,226 11.48%	7,332,260 733,226 11.48%
<b>B Terms / Rights attached to Equity Shares</b>		
The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled for one vote per share. Accordingly, all equity shares rank equally with regards to dividends and shares in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time.		
On winding up of the Company, the holder's of equity shares will be entitled to receive the residual assets of the company after distribution of all preferential amounts in proportion to the number of equity shares held.		
The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		

## Notes to Financial Statements (continued)

	2014 Rs. Lacs	2013 Rs. Lacs
<b>Note 2 : Reserves and Surplus</b>		
<b>Securities Premium Account</b>		
Balance as per last Balance Sheet	1,912.60	1,912.60
<b>General Reserve</b>		
Balance as per last Balance Sheet	2,465.39	2,287.18
Add : Amount transferred from Statement of Profit and Loss	245.90	178.21
<b>Closing Balance</b>	<b>2,711.29</b>	<b>2,465.39</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance brought forward from previous year	3,880.68	4,110.88
Profit for the year	2,459.00	1,782.05
<b>Profit available for Appropriation</b>	<b>6,339.68</b>	<b>5,892.93</b>
<b>Less Appropriations:</b>		
Interim Dividend	702.51	574.80
Tax on Interim Dividend	119.39	97.69
Proposed Final Dividend	638.65	989.90
Tax on Proposed Final Dividend	108.54	171.65
Transfer to General Reserve	245.90	178.21
	<b>1,814.99</b>	<b>2,012.25</b>
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>4,524.69</b>	<b>3,880.68</b>
<b>Total</b>	<b>9,148.58</b>	<b>8,258.67</b>
<b>Note 3 : Long Term Borrowings</b>		
<b>Unsecured</b>		
Deferred Payment Liability - Sales Tax Deferral Loan (refer note below)	358.03	580.96
<b>Total</b>	<b>358.03</b>	<b>580.96</b>
Note : The Sales Tax Deferral Loan of the Company is repayable in 5 equal annual instalments which commenced from April, 2011		
<b>Note 4 : Other Long Term Liabilities</b>		
<b>Others</b>		
- Payable to Employees	53.47	77.09
- Earnest Money Received Against Leasehold Land (refer note below)	16.75	16.75
<b>Total</b>	<b>70.22</b>	<b>93.84</b>
Note: This amount has been received with respect to the agreement for leasehold land at Chinchwad		

## Notes to Financial Statements (continued)

	2014 Rs. Lacs	2013 Rs. Lacs
<b>Note 5 : Long Term Provisions</b>		
Provision for Employee Benefits		
- Compensated Absences	145.57	110.25
- Gratuity	24.76	38.89
<b>Total</b>	<b>170.33</b>	<b>149.14</b>

<b>Note 6 : Trade Payables</b>		
Trade Payables		
- Others (refer note below for details of dues to Micro and Small Enterprises)	3,177.49	3,159.96
<b>Total</b>	<b>3,177.49</b>	<b>3,159.96</b>

Note

The identification of micro, small and medium enterprises is based on the management's knowledge of their status. The Company has not circulated letters to its suppliers requesting them to confirm whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) in the current financial year. In view of the Management there is no significant variation from the last year in the list of vendors which fall under this category of the last year.

<b>Dues payable to Micro and Small Enterprises as at</b>	<b>2014</b>	<b>2013</b>
Principal Amount	32.03	5.26
Interest due on delayed payments	-	2.46

<b>Note 7 : Other Current Liabilities</b>		
Current Maturity of Long Term Borrowings		
Deferred Payment Liability - Sales Tax Deferral Loan	222.93	222.94
Dues to Directors	18.20	14.00
Other Liabilities		
- Payable to Employees	230.16	149.92
- Excise Duty Payable	40.40	25.71
- TDS Payable	88.39	42.76
- PF/ESI Payable	20.69	1.64
Deposits from Customers (Unsecured and payable on demand)	12.25	12.25
Advances from Customers	8.79	5.12
Unclaimed Dividends (refer note below)	61.12	51.43
<b>Total</b>	<b>702.93</b>	<b>525.77</b>

Note:

1. The "Investor Education and Protection Fund" shall be credited by the amounts, as and when due.

## Notes to Financial Statements (continued)

	2014 Rs. Lacs	2013 Rs. Lacs
<b>Note 8 : Short Term Provisions</b>		
Proposed Final Dividend	638.65	989.90
Tax on Proposed Final Dividend	108.54	168.23
Income Tax Provision	64.10	-
Provision for Employee Benefits		
- Compensated Absences	108.00	98.17
- Gratuity	5.66	10.13
<b>Total</b>	<b>924.96</b>	<b>1,266.43</b>

### Note 9 : FIXED ASSETS

Category/ Group of Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
TANGIBLE ASSETS	Opening Balance 01 Jan. 2014	Additions	Deductions	Closing Balance 31 Dec. 2014	Opening Balance 01 Jan. 2014	Charge for the year	Deductions during the year	Closing Balance 31 Dec. 2014	Closing Balance 31 Dec. 2014	Closing Balance 31 Dec. 2013
Freehold Land	151.92	-	-	151.92	-	-	-	-	151.92	151.92
Leasehold Land	3.95	-	-	3.95	1.07	0.04	-	1.11	2.84	2.88
Factory Buildings	984.07	22.92	-	1006.99	281.31	37.62	-	381.93	688.06	702.76
Buildings Others	513.92	5.09	-	519.01	185.23	19.26	-	204.49	314.52	328.69
Plant and Machinery	3,951.33	229.07	74.48	4,105.92	2,537.60	341.00	58.64	2,819.96	1,285.96	1,413.73
Laboratory Equipments	142.41	11.85	0.16	154.10	87.00	18.77	0.16	105.61	48.49	55.41
Office Equipments	84.20	10.95	0.07	95.08	43.15	15.31	0.07	58.39	36.69	41.05
Furniture and Fittings	247.77	1.00	0.26	248.51	210.87	6.84	0.26	217.45	31.06	36.90
Motor Vehicles	104.53	34.81	45.88	93.46	58.73	23.68	39.54	42.87	50.59	45.80
<b>Total</b>	<b>6,184.10</b>	<b>315.69</b>	<b>120.85</b>	<b>6,378.94</b>	<b>3,404.96</b>	<b>462.52</b>	<b>98.67</b>	<b>3,768.81</b>	<b>2,610.13</b>	<b>2,779.14</b>
<b>Previous Year</b>	<b>6,158.03</b>	<b>216.45</b>	<b>190.38</b>	<b>6,184.10</b>	<b>3,038.08</b>	<b>506.68</b>	<b>139.80</b>	<b>3,404.96</b>	<b>2,779.14</b>	

Included in the above additions, the capital expenditure towards Research & Development Activities is 11.80 Lacs (Previous Year Rs. 0.75 Lacs)

Category/ Group of Asset	GROSS BLOCK				AMORTISATION				NET BLOCK	
INTANGIBLE ASSETS	Opening Balance 01 Jan. 2014	Additions	Deductions	Closing Balance 31 Dec. 2014	Opening Balance 01 Jan. 2014	Charge for the year	Deductions during the year	Closing Balance 31 Dec. 2014	Closing Balance 31 Dec. 2014	Closing Balance 31 Dec. 2013
Computer Software	196.79	0.76	-	197.55	193.93	2.88	-	196.81	0.74	2.86
<b>Total</b>	<b>196.79</b>	<b>0.76</b>	<b>-</b>	<b>197.55</b>	<b>193.93</b>	<b>2.88</b>	<b>-</b>	<b>196.81</b>	<b>0.74</b>	<b>2.86</b>
<b>Previous Year</b>	<b>196.89</b>	<b>0.42</b>	<b>0.52</b>	<b>196.79</b>	<b>189.26</b>	<b>5.19</b>	<b>0.52</b>	<b>193.93</b>	<b>2.86</b>	

## Notes to Financial Statements (continued)

	2014 Rs. Lacs	2013 Rs. Lacs
<b>Note 10 : Non Current Investments</b>		
<b>Non-trade Investments ( at cost )</b>		
Government and Trust Securities (unquoted)		
Indira Vikas Patra (pledged with electricity board, Puducherry)	8.18	8.18
Less : Matured during the period	5.26	-
Comprising of 4 Nos. (previous year 6 Nos.)		
<b>Total</b>	<b>2.92</b>	<b>8.18</b>
<b>Note 11 : Deferred Tax Asset</b>		
<b>Deferred Tax Liability</b>		
Depreciation	(31.84)	(60.15)
	<b>(31.84)</b>	<b>(60.15)</b>
<b>Deferred Tax Assets</b>		
Depreciation on Assets Written Off	-	16.57
Expenditure debited to the Statement of Profit and Loss in the current period but allowed for the tax purpose in subsequent assessment years	153.48	139.27
Provision for doubtful debts	33.84	29.77
	187.32	185.61
<b>Deferred Tax Asset Net</b>	<b>155.48</b>	<b>125.46</b>
<b>Note 12 : Long Term Loans and Advances</b>		
Unsecured and Considered Good		
- Capital Advances	-	14.06
- Security Deposits	26.50	23.51
Other Loans and Advances		
- Deposits with Income Tax Authorities	329.11	644.80
- Advance Income Tax (Net of Provisions)	317.97	498.32
- Employee Loans	9.71	8.10
<b>Total</b>	<b>683.29</b>	<b>1188.79</b>
<b>Note 13 : Inventories</b>		
<b>(Valued at Lower of Cost and NRV)</b>		
Raw Materials ( refer note below )	864.44	623.52
Finished Goods ( refer note below ) #	479.39	532.15
Stock - in - Trade	2.21	2.59
<b>Total</b>	<b>1,346.04</b>	<b>1,158.26</b>
Note :		
Raw Material in Bond	52.88	49.26
Raw Material in Transit	34.73	110.35
Finished Goods in Transit	0.66	62.54

# Includes provision for excise duty of Rs.94.25 Lacs (Previous Year Rs. 77.58 Lacs)

## Notes to Financial Statements (continued)

	2014 Rs. Lacs	2013 Rs. Lacs
<b>Note 14 : Trade Receivables</b>		
Unsecured :		
Debts Outstanding for a Period Exceeding Six Months from Due Date		
- Considered Good	324.38	267.05
- Considered Doubtful	83.33	57.88
	407.71	324.93
Less Provision for Doubtful Debts	83.33	57.88
	324.38	267.05
Other Debts		
- Considered Good #	6,986.21	6,163.40
- Considered Doubtful	16.22	25.46
	7,002.43	6,188.86
Less Provision for Doubtful Debts	16.22	25.46
	6,986.21	6,163.40
<b>Total</b>	<b>7,310.59</b>	<b>6,430.45</b>
# Includes Rs. 126.49 Lacs (Previous year Rs. 64.90 Lacs) due from bodies corporate in which any director are interested		
<b>Note 15 : Cash and Bank Balances</b>		
Cash and Cash Equivalents		
Cash on Hand	4.00	2.59
Cheques on Hand	426.73	265.54
Balances with Banks		
On current accounts	1,262.04	925.28
On deposit accounts (with original maturity of three months or less)	1,050.00	1,350.00
Unclaimed Dividend Accounts #	61.12	51.43
<b>Other Bank Balances</b>	4.83	6.19
(on deposit accounts with original maturity of more than three months)		
<b>Total</b>	<b>2,808.72</b>	<b>2,601.03</b>
# These are restricted bank balances for payment of Unpaid Dividend		
<b>Note 16 : Short Term Loans and Advances</b>		
<b>Others</b>		
(Unsecured Considered Good)		
- Advance for supply of goods and services	43.26	191.86
- Prepaid Expenses	52.11	43.74
- Current maturities of long term loans to employees	11.80	13.39
- Employee Travel Advances	2.52	-
- Other Recoveries	26.23	13.28
Balances with Excise and Customs Authorities		
- Service Tax	27.62	30.22
Sales Tax (VAT and CST)	3.29	9.96
Related Party		
- Dues for Reimbursements	39.56	70.27
<b>Total</b>	<b>206.39</b>	<b>372.72</b>

## Notes to Financial Statements (continued)

	2014 Rs. Lacs	2013 Rs. Lacs
<b>Note 17 : Other Current Assets</b>		
Accrued Interest on Fixed Deposits	10.57	6.53
<b>Total</b>	<b>10.57</b>	<b>6.53</b>
<b>Note 18 : Revenue from Operations</b>		
Sale of Products (refer below note - I)	28,678.25	25,022.06
Less : Excise Duty	2,832.28	2,613.80
	25,845.97	22,408.26
Sale of Services	8.00	4.20
Other Operating Revenues (refer details below note - II)	482.51	278.47
<b>Turnover</b>	<b>26,336.48</b>	<b>22,690.93</b>
<b>Note - I</b>		
Sale of stock- in - trade included in sale of Products	776.38	700.10
<b>Note - II</b>		
<b>Details for Other Operating Revenues</b>		
Commission Income	278.09	261.44
Sale of Scrap	17.85	16.76
Sale of Deteriorated Raw Material and Packing Material	184.60	0.27
Other Miscellaneous Income	1.97	-
	<b>482.51</b>	<b>278.47</b>
<b>Note 19 : Other Income</b>		
<b>From Other Sources</b>		
Interest Income		
- On Bank Deposits	70.93	120.57
- From Income Tax Authorities # and Customers	158.97	0.81
Excess Provisions of Earlier Years Written Back	60.20	57.44
Foregin Exchange Fluctuation Gain (Net)	13.94	7.04
Others		
- Other Service Cost Reimbursed	12.27	6.60
- Management and Service Fees	12.00	12.80
- Insurance Claim Received	-	9.95
- Other Miscellaneous Income	8.22	39.33
<b>Total</b>	<b>336.53</b>	<b>254.54</b>

# includes Rs. 158.11 Lacs interest received from Income Tax Authorities for various assessment years being closed and refund received

## Notes to Financial Statements (continued)

	2014 Rs. Lacs	2013 Rs. Lacs
<b>Note 20 : Cost of Material Consumed</b>		
Raw Material Consumed		
- Opening Stock	623.52	509.33
- Purchases	15,045.99	13,103.35
	15,669.51	13,612.68
Less : Closing Stock	864.44	623.52
<b>Total</b>	<b>14,805.07</b>	<b>12,989.16</b>
<b>Note 21 : Purchase of Stock-in-Trade</b>		
Purchases of Traded Goods	562.77	506.81
<b>Total</b>	<b>562.77</b>	<b>506.81</b>
<b>Note 22 : Changes in Inventories of Finished Goods and Stock-in-Trade</b>		
(Increase) / Decrease in Finished Goods Manufactured		
Opening Stock	532.15	404.62
Less : Closing Stock	479.39	532.15
	52.76	(127.53)
(Increase) / Decrease in Stock-in-Trade		
Opening Stock	2.59	8.02
Less : Closing Stock	2.21	2.59
	0.38	5.43
<b>Total</b>	<b>53.14</b>	<b>(122.10)</b>
<b>Note 23 : Employee Benefits Expense</b>		
Salaries, Wages and Bonus	2,087.34	1,949.15
Contributions to Provident and Other Funds	264.23	313.81
Staff Welfare Expense	161.10	137.33
<b>Total</b>	<b>2,512.67</b>	<b>2,400.29</b>

## Notes to Financial Statements (continued)

	2014 Rs. Lacs	2013 Rs. Lacs
<b>Note 24 : Finance Cost</b>		
Interest		
- on temporary overdrafts	17.42	26.45
<b>Total</b>	<b>17.42</b>	<b>26.45</b>
<b>Note 25 : Other Expenses</b>		
Consumption of Stores and Spares	48.94	59.85
Power and Fuel	591.32	510.51
Repairs and Maintenance - Plant and Machinery	279.36	191.37
Repairs and Maintenance - Buildings	39.69	33.64
Repairs and Maintenance - Others	9.60	10.93
Processing Charges	40.58	38.70
Freight and Forwarding Expenses	489.35	392.07
Rent	-	0.90
Rates and Taxes	30.54	36.19
Insurance	63.24	71.86
Advertising	19.26	7.45
Travelling and Conveyance	500.57	380.63
Telephone Charges	32.33	33.27
Professional Charges	300.72	277.73
Directors' Sitting Fees	3.80	2.45
Auditor's Remuneration (refer details below)	38.47	37.25
Provision for Doubtful Debts	16.22	25.46
Loss on Fixed Assets Sold / Discarded (Net)	5.42	47.38
Bank Charges	15.40	12.01
Software Maintenance Charges	70.39	64.86
Royalty (including R&D Cess thereon)	1,200.87	1,044.27
Consultancy Service Fees	456.89	440.74
Commission to Resident Non Whole Time Directors	18.20	14.00
Miscellaneous Expenses	211.85	185.94
<b>Total</b>	<b>4,483.01</b>	<b>3,919.46</b>
Expenses includes expenditure on Research & Development Activities as, certified by the Management of the Company	86.41	88.10
<b>Details of Auditor's Remuneration</b>		
<b>i As an auditor:</b>		
- Statutory Audit Fees	14.60	14.70
- Tax Audit Fees	7.50	7.50
- Fees for Limited Review	9.75	9.75
- Other Services	4.24	3.20
- Reimbursement of Expenses	2.38	2.10
<b>Total Auditors Remuneration</b>	<b>38.47</b>	<b>37.25</b>

## Notes to Financial Statements (continued)

### Note 26 : Company Background

#### Nature of Operations

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.

### Note 27 : Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements

#### 1.1 Basis for preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 ('the Act') read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, to the extent applicable. The financial statements are presented in Indian Rupees.

#### 1.2 Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenue and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates. Any difference between the actual results and estimates are recognised in the period in which the results are known / materialise. Any revision to accounting estimates is recognised prospectively in the current and future periods.

#### 1.3 Current and Non-current Classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

##### Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company's operating cycle is less than 12 months

#### 1.4 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes inward freight, duties, taxes and other incidental expenses related to the acquisition, construction and installation of the fixed assets.

## Notes to Financial Statements (continued)

### Note 27 : Significant Accounting Policies (continued)

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposed. Loss or gains arising from retirement on account of disposals of fixed assets are carried at cost and recognised in the Statement of Profit and Loss.

Depreciation on fixed assets is provided on the Straight Line Method ("SLM") pro-rata to the period of use. Depreciation is provided based on the following useful lives of the assets as estimated by the management. Assets individually costing Rs 5,000 or less are depreciated fully in the year of purchase.

Category / Group of Asset	Rates in percent SLM
<b>Buildings</b>	
Factory and Other Building	4
<b>Plant and Machinery</b>	
Computer Hardware	33
Production Machinery	10
Energy Saving Devices	10/20
Effluent Treatment Plant	20
Other Machinery	20
Machinery at Customers' / Processors' Site	25 / 50
<b>Laboratory and Office Equipments</b>	
Laboratory Equipment	15
Office Equipments	20
Electrical Equipment	15
Mobile Handsets	25
<b>Furniture and Fittings</b>	
Furniture and Fixtures	10
<b>Motor Vehicles</b>	
Vehicles	25

Leasehold land is depreciated over the initial period of the lease.

#### Note

For these class of assets, based on internal assessment and independent technical evaluation carried out by internal valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets.

#### 1.5 Intangible Assets and Amortization

Intangible assets representing computer software are recorded at their acquisition price and are amortised over their estimated useful life of 2 years on a straight line basis commencing from the date the assets are available for use. The useful life of the intangible assets is reviewed by the Management at each balance sheet date.

#### 1.6 Impairment of Assets

In accordance with Accounting Standard 28 – Impairment of Assets (AS 28), the carrying amounts of the Company's assets are reviewed at each Balance sheet date to determine whether there is any indication of impairment. If any such indications exist, the assets' recoverable amount is estimated, as the higher of the net selling price and the value in use. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. If at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

#### 1.7 Investments

Long-term investments are stated at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

## Notes to Financial Statements (continued)

### 1.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and other costs necessary to make the sale. Cost is determined on the basis of weighted average method and includes expenditure in acquiring the inventories and bringing them to the present location and condition. In the case of manufactured inventories, cost includes cost of direct materials and labour and an appropriate share of overheads based on normal operating capacity of the production facilities. The comparison of cost and net realisable value is made on an item-by-item basis. Finished goods inventory includes excise duty payable.

Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of finished products will exceed their net realisable value.

### 1.9 Revenue Recognition

Revenue from sale of goods is recognised when all significant risks and rewards of ownership of goods transfers to the customers. Sales are recorded net of sales tax / VAT, discounts and rebates.

Revenue from 'solutions partnering' services is recognized when the rendering of services is completed and to the extent that it is probable that the economic benefits will flow to the Company and the revenue from such services can be reliably measured.

Commission income is recognised on an accrual basis, when it is reasonably certain that the economic benefits will flow to the Company.

Interest income is recognised on a time proportionate basis taking into account the amount invested and the rate applicable.

### 1.10 Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss of the year.

Monetary assets and liabilities denominated in foreign currency at the Balance Sheet date are translated at the year end exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

### 1.11 Cash and Cash Equivalents

Cash and bank balances in the Balance Sheet comprise cash at bank and in hand including bank deposits with an original maturity of three months or less.

### 1.12 Employee Benefits

#### a) Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognised in the period in which the employee renders the related service.

#### b) Post-employment benefits (defined benefit plans)

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on an actuarial valuation, carried out by an independent actuary, using the Projected Unit Credit method. The liability for gratuity is funded annually to a gratuity fund maintained with the Life Insurance Corporation of India ('LIC'). Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

#### c) Post-employment benefits (defined contribution plans)

Contributions to the provident fund and superannuation scheme which are defined contribution schemes are charged to the Statement of Profit and Loss as incurred.

#### d) Long-term employee benefits

Long term employee benefits comprise of compensated absences. These are measured based on an actuarial valuation carried out by an independent actuary at each Balance Sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

## Notes to Financial Statements (continued)

### Note 27 : Significant Accounting Policies (continued)

#### 1.13 Taxation

Income-tax comprises current tax, (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation and carried forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

#### 1.14 Earnings Per Share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.

Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and equivalent dilutive equity shares outstanding during the year, except where the results would be anti-dilutive.

#### 1.15 Provisions

A provision is recognised in the Balance Sheet when the Company has a present obligation as a result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation, in respect of which a reliable estimate of the amount of the obligation can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

#### 1.16 Contingent Liabilities and Contingent Assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## Notes to Financial Statements (continued)

### Note 28 : Disclosure Notes

#### 1. Disclosure of Related Parties / Related Party Transactions

##### a. Name of Related Party Where Control Exists

- |     |   |   |
|-----|---|---|
| i   | Vesuvius plc., United Kingdom             | - Ultimate Parent Company               |
| ii  | Vesuvius Holdings Limited, United Kingdom | - Subsidiary of Ultimate Parent Company |
| iii | Foseco Holdings Limited, United Kingdom   | - Subsidiary of Ultimate Parent Company |
| iv  | Foseco (U.K.) Limited., United Kingdom    | - Subsidiary of Ultimate Parent Company |
| v   | Foseco Overseas Limited, United Kingdom   | - Immediate Holding Company             |

##### b. Names of Related Parties with whom transactions were carried out for the Financial Year ended 31 December 2014.

##### i. Fellow Subsidiaries

- 1) Foseco (FS) Limited, United Kingdom
- 2) Foseco (Thailand) Limited
- 3) Foseco Foundry (China) Company Limited
- 4) Foseco Golden Gate Company Limited, Taiwan
- 5) Foseco Industrial e-Commercial Ltda., Brazil
- 6) Foseco International Limited, United Kingdom
- 7) Foseco Japan Limited
- 8) Foseco Korea Limited
- 9) Foseco Nederland BV.
- 10) Foseco Philippines Inc.
- 11) Foseco Pty Limited, Australia
- 12) PT Foseco Indonesia
- 13) Vesuvius Emirates (FZE), Dubai
- 14) Vesuvius Foundry Products (Suzhou) Company Limited, China
- 15) Vesuvius GmbH, Germany
- 16) Vesuvius Group SA, Belgium
- 17) Vesuvius Belgium N.V
- 18) Vesuvius Inc., USA
- 19) Vesuvius UK Limited
- 20) Vesuvius Foundry Technologies (Jiangsu) Company Limited, China
- 21) Vesuvius Istanbul Refrakter SA, Turkey
- 22) Vesuvius Italia S.p.A.
- 23) Vesuvius Malaysia Sdn. Bhd.
- 24) Vesuvius Poland Sp. Z.o.o.
- 25) Vesuvius France SA
- 26) Vesuvius India Limited

##### ii. Key Management Personnel

Sanjay Mathur, Managing Director

##### c. Names of Related Parties with whom the Company neither had any Transactions nor had any outstanding Balances for the Financial Year ended 31 December 2014

- 1) Cookson Overseas Limited, United Kingdom
- 2) Cookson Financial Limited, United Kingdom
- 3) Vesuvius Group Limited, United Kingdom

## Notes to Financial Statements (continued)

### Note 28 : Disclosure Notes (continued)

#### d. Disclosure of Related Party Transactions

For the financial year ended 31 December 2014 :

(Amount in Rs. Lacs)

Nature of Transaction	Nature of Relationship				
	Immediate Holding Company	Subsidiaries of Ultimate Parent Company	Fellow Subsidiaries	Key Management Personnel	Total
Purchases	-	-	1,039.59	-	1,039.59
Purchase of Fixed Assets	-	-	25.79	-	25.79
Sales	-	-	1,065.29	-	1,065.29
Salaries and Perquisites	-	-	-	191.58	191.58
Dividend*	981.62	287.43	-	-	1,269.05
Royalty	-	-	1,142.06	-	1,142.06
Consultancy Service Fees	-	-	456.89	-	456.89
Services Rendered **	-	-	303.66	-	303.66
Services Received **	-	-	60.16	-	60.16
<b>Total</b>	<b>981.62</b>	<b>287.43</b>	<b>4,093.44</b>	<b>191.58</b>	<b>5,554.07</b>

\* The above figure represents interim dividend paid during the year and final dividend for the previous year ended 31 December 2013

\*\* Including reimbursement of expenses

Related party transactions above 10% of the total transactional value	Amount Rs. Lacs
Purchase - Foseco Japan Limited	331.21
Purchase - Vesuvius GmbH, Germany	487.11
Purchase - Vesuvius UK Limited	137.04
Purchase of Fixed Assets - Vesuvius Group SA, Belgium	25.79
Sale - Foseco Foundry (China) Company Limited	184.14
Sale - Vesuvius Emirates (FZE), Dubai	470.99
Sale - Vesuvius Malaysia Sdn.Bhd.	143.90
Dividend - Vesuvius Holdings Limited, United Kingdom	144.18
Dividend - Foseco (UK) Limited, United Kingdom	143.25
Royalty - Foseco International Limited, United Kingdom	1,142.06
Consultancy Service Fees - Vesuvius Group SA, Belgium	456.89
Services Rendered - Foseco International Limited, United Kingdom	143.49
Services Rendered - Vesuvius Foundry Technologies (Jiangsu) Company Limited	35.84
Services Rendered - Vesuvius India Limited	30.52
Services Received - Vesuvius Group SA, Belgium	36.17
Services Received - Foseco Pty Limited, Australia	13.98

## Notes to Financial Statements (continued)

### Note 28 : Disclosure Notes (continued)

For the financial year ended 31 December 2013 :

(Amount in Rs. Lacs)

Nature of Transaction	Nature of Relationship				
	Immediate Holding Company	Ultimate Parent Company & Subsidiaries	Fellow Subsidiaries	Key Management Personnel	Total
Purchases	-	-	814.60	-	814.60
Purchase of Fixed Asset	-	-	35.72	-	35.72
Sales	-	-	859.53	-	859.53
Salaries and Perquisites	-	-	-	156.63	156.63
Dividend*	592.50	173.80	-	-	766.30
Royalty	-	-	993.12	-	993.12
Consultancy Service Fees	-	-	440.74	-	440.74
Services Rendered **	-	-	262.18	-	262.18
Services Received **	-	-	139.05	-	139.05
<b>Total</b>	<b>592.50</b>	<b>173.80</b>	<b>3,544.94</b>	<b>156.63</b>	<b>4,467.87</b>

\* The above figure represents interim dividend paid during the year and final dividend for the previous year ended 31 December 2012

\*\* Including reimbursement of expenses

Related party transactions above 10% of the total transactional value	Amount in Rs. Lacs
Purchase - Foseco Japan Limited	110.06
Purchase - Vesuvius GmbH, Germany	424.79
Purchase - Vesuvius Foundry Products (Suzhou) Company Limited, China	149.24
Purchase - Vesuvius UK Limited	101.49
Purchase of Fixed Asset - Vesuvius GmbH, Germany	35.72
Sale - PT Foseco Indonesia	93.29
Sale - Vesuvius Malaysia Sdn. Bhd.	116.57
Sale - Vesuvius Emirates (FZE), Dubai	459.82
Dividend - Vesuvius Holdings Limited, United Kingdom #	87.05
Dividend - Foseco (UK) Limited, United Kingdom	86.75
Royalty - Foseco International Limited, United Kingdom	993.12
Consultancy Service Fees - Vesuvius Group SA, Belgium	440.74
Services Rendered - Vesuvius Group SA, Belgium	46.10
Services Rendered - Foseco International Limited, United Kingdom	164.87
Services Received - Vesuvius Group SA, Belgium	40.50
Services Received - Foseco Pty Limited, Australia	89.97

# Formerly known as Cookson Group plc.

## Notes to Financial Statements (continued)

### Note 28 : Disclosure Notes (continued)

#### 2 Related Party Receivable and Payable

##### Amount Due From and To Related Parties

(Amount in Rs. Lacs)

Nature of Transaction	31 December 2014	31 December 2013
Receivable	290.96	199.11
Payable	352.23	424.38

##### Related Parties Whose Balance Exceeds 10% of The Total Receivable Balance

(Amount in Rs. Lacs)

Name of the Company	31 December 2014	31 December 2013
Vesuvius Malaysia Sdn Bhd	35.76	24.58
PT Foseco Indonesia	31.45	21.62
Foseco Foundry (China) Company Limited	58.98	-
Foseco International Limited, United Kingdom	-	55.94
Vesuvius Emirates (FZE), Dubai	96.79	47.36

##### Related parties whose balance exceeds 10% of the Total Payable Balance

(Amount in Rs. Lacs)

Name of the Company	31 December 2014	31 December 2013
Foseco International Limited, United Kingdom	231.37	204.24
Vesuvius Group SA, Belgium	73.35	134.98

#### 3 Contingent Liabilities

(Amount in Rs. Lacs)

Sr. No.	Particulars	31 December 2014	31 December 2013
i.	Counter Guarantees given to Banks in respect of Guarantee given by them	18.83	8.49
ii.	Central Excise Demands in respect of which the Company is in Appeal	7.69	7.69
iii.	Income Tax Demands in respect of which the Company is in Appeal	458.47	471.83

#### 4 Freight Recovery

(Amount in Rs. Lacs)

Particulars	31 December 2014	31 December 2013
Amount included in Sales	221.97	197.54

## Notes to Financial Statements (continued)

### Note 28 : Disclosure Notes (continued)

#### 5 Supplementary Statutory Information

##### 5.1 Earnings in Foreign Currency

(Amount in Rs. Lacs)

Particulars	31 December 2014	31 December 2013
F. O. B. Value of Exports	1,069.97	1,045.54
Commission and Reimbursements	551.23	521.93
<b>Total</b>	<b>1,621.20</b>	<b>1,567.47</b>

##### 5.2 Expenditure in Foreign Currency

(Amount in Rs. Lacs)

Particulars	31 December 2014	31 December 2013
Travelling	4.94	3.59
Consultancy Service Fees	456.89	440.74
Services Received (reimbursements)	60.16	159.93
<b>Total</b>	<b>521.99</b>	<b>604.26</b>

##### 5.3 Value of Imports [on CIF Basis]

(Amount in Rs. Lacs)

Particulars	31 December 2014	31 December 2013
Raw Materials	2,434.26	1,787.21
Capital Goods and Spares	25.79	35.72
<b>Total</b>	<b>2,460.05</b>	<b>1,822.93</b>

##### 5.4 Dividend Remitted During the Year to Non-resident Shareholders

(Amount in Rs. Lacs)

Particulars	31 December 2014	31 December 2013
Number of shareholders (Previous year of which two hold 600 shares jointly, third shareholder as the nominee)	4	6
Number of shares held (Previous year including 800 shares held by three residents jointly with the non-resident shareholder as the nominee)	5,522,071	5,522,071
A. Final Dividend		
(i) Amount remitted (net of tax)	855.92	386.61
(ii) Year to which dividend related	2013	2012
B. Interim Dividend		
(i) Amount remitted (net of tax)	607.43	497.00
(ii) Year to which dividend related	2014	2013

## Notes to Financial Statements (continued)

### Note 28 : Disclosure Notes (continued)

#### 5.5 Un-hedged Foreign Currency Exposure

Currency	31 December 2014			31 December 2013		
	Amount in Foreign Currency	Exchange Rate	Amount in Indian Rs. Lacs	Amount in Foreign Currency	Exchange Rate	Amount in Indian Rs. Lacs
<b>Accounts Receivables</b>						
USD	4,20,896	65.21	274.47	2,34,143	62.39	146.08
EUR	46,528	79.34	36.92	61,103	86.50	52.85
GBP	22,037	101.51	22.37	54,927	103.63	56.92
<b>Accounts Payables</b>						
USD	3,10,456	65.21	202.45	-	62.39	-
EUR	1,02,415	79.34	81.26	1,76,926	86.50	153.04
AUD	-	54.28	-	11,305	56.22	6.36
GBP	8,757	101.51	8.89	24,348	103.63	25.23
JPY	44,28,688	0.5540	24.53	42,42,591	0.5993	25.43

#### 5.6 Employee Benefit Plans

Gratuity: In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Scheme) covering certain categories of employees. The Gratuity Scheme provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to the fund managed by the Life Insurance Corporation of India (LIC), under this plan the settlement obligation remains with the Company although the Life Insurance Corporation of India, administers the plan and determines the contribution of premium required to be paid by the Company.

## Notes to Financial Statements (continued)

### Note 28 : Disclosure Notes (continued)

#### i) Defined Benefits Plan

(Amount in Rs. Lacs)

	Table set out the status of Gratuity Plan as required under AS 15 (Revised 2005)	31 December 2014	31 December 2013
<b>(a)</b>	<b>Reconciliation of opening and closing balances of the Present Value of the Defined Benefit Obligations :</b>		
	Defined Benefit Obligation at beginning of the year	651.77	640.79
	Current Service Cost	47.93	44.59
	Interest Cost	52.51	54.10
	Benefits Paid	(39.89)	(105.45)
	Actuarial Loss	2.73	17.75
	<b>Present Value of Defined Benefit Obligation at the end of the year</b>	<b>715.05</b>	<b>651.78</b>
<b>(b)</b>	<b>Reconciliation of the opening and closing balances of the Fair Value of Plan Assets:</b>		
	Fair Value of Plan Assets at beginning of the year	602.76	595.43
	Expected Return on Plan Assets	54.71	50.92
	Employer Contributions	47.55	69.44
	Benefits Paid	(39.89)	(105.45)
	Actuarial Gain	19.49	(7.58)
	<b>Fair Value of Plan Assets at the end of the year</b>	<b>684.62</b>	<b>602.76</b>
<b>(c)</b>	<b>Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets / Liability to the assets recognised in the Balance Sheet:</b>		
	Present Value of the Defined Benefit Obligation at the end of the year	715.05	651.78
	Fair Value of Plan Assets at the end of the year	(684.62)	(602.76)
	<b>Plan Liability recognised in the Balance Sheet</b>	<b>30.43</b>	<b>49.02</b>
<b>(d)</b>	<b>The Total Expense Recognised in the Statement of Profit and Loss:</b>		
	Current Service Cost	47.93	44.59
	Interest Cost	52.51	54.10
	Expected Return on Plan Assets	(54.71)	(50.92)
	Actuarial (Gain) / Loss	(16.76)	25.33
	<b>Net Gratuity Cost</b>	<b>28.97</b>	<b>73.10</b>
<b>(e)</b>	<b>Actual Return on Plan Assets:</b>		
	Actual Return on Plan Assets	<b>74.20</b>	<b>43.34</b>

## Notes to Financial Statements (continued)

### Note 28 : Disclosure Notes (continued)

The Company has invested the plan assets with the Life Insurance Corporation of India. Expected rate of return on the plan asset has been determined scientifically considering the current and expected plan asset allocation, historical rate of return earned by the company, current market trend and the expected return on the plan assets.

#### (f) Principal Assumption used as at the Balance Sheet date:

	31 December 2014	31 December 2013
Discount rate	8.31%	9.20%
Rate of Increase in Compensation Levels	9.5% (1st year) & 7.5% p.a. thereafter	10.7% (1st year) & 7.5% p.a. thereafter
Expected Rate of return on Plan Assets	8.50%	8.50%
Employee Turnover	12.00%	15.00%

#### (g) Experience Adjustments

	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011	31 Dec 2010
Defined Benefit Obligation	30.43	49.02	45.35	74.90	38.52
Experience Adjustment on Plan Liabilities	(13.75)	38.57	125.43	82.81	(9.75)
Actuarial Gain / (Loss) due to Change on Assumptions	22.22	10.16	111.33	74.45	(24.65)

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The estimates of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

#### ii) Defined Contribution Plan:-

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

(Amount in Rs. Lacs)

Particulars	31 Dec 2014	31 Dec 2013
Provident Fund	106.21	115.19
Superannuation Scheme	131.40	126.49
<b>Total</b>	<b>237.61</b>	<b>241.68</b>

### 6 Additional Information Pursuant to the Provisions of Paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956

#### 6.1 Details of Raw Materials

##### 6.1.1 Consumption of Raw Materials during the year

(Amount in Rs. Lacs)

Sr. No.	Particulars	31 Dec 2014	31 Dec 2013
i.	Liquid Phenol	663.65	987.43
ii.	Others	14,141.42	12,001.73
	<b>Total</b>	<b>14,805.07</b>	<b>12,989.16</b>

## Notes to Financial Statements (continued)

### Note 28 : Disclosure Notes (continued)

#### 6.1 Details of Raw Materials (continued)

##### 6.1.2 Consumption of Raw Materials by source

Sr. No.	Class of Goods	Percentage to Total Consumption		Value (in Rs. Lacs)	
		31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
i.	Imported	15.08	11.84	2,231.91	1,538.54
ii.	Indigenous	84.92	88.16	12,573.16	11,450.62
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>14,805.07</b>	<b>12,989.16</b>

##### 6.1.3 Purchase of Raw Materials during the year

Value (in Rs. Lacs)

Sr. No.	Particulars	31 Dec 2014	31 Dec 2013
i.	Liquid Phenol	672.85	952.12
ii.	Others	14,373.14	12,151.23
	<b>Total</b>	<b>15,045.99</b>	<b>13,103.35</b>

##### 6.1.4 Closing Stock of Raw Materials as at

Value (in Rs. Lacs)

Sr. No.	Particulars	31 Dec 2014	31 Dec 2013
i.	Liquid Phenol	18.21	9.01
ii.	Others	846.23	614.51
	<b>Total</b>	<b>864.44</b>	<b>623.52</b>

#### 6.2 Details of Traded Goods

##### 6.2.1 Purchase of Traded Goods during the year

Value (in Rs. Lacs)

Sr. No.	Particulars	31 Dec 2014	31 Dec 2013
i.	Metallurgical Chemicals (includes sale of machinery used in foundry industry)	562.77	506.81
	<b>Total</b>	<b>562.77</b>	<b>506.81</b>

##### 6.2.2 Sale of Traded Goods during the year

Value (in Rs. Lacs)

Sr. No.	Particulars	31 Dec 2014	31 Dec 2013
i.	Metallurgical Chemicals (includes sale of machinery used in foundry industry)	776.38	700.10
	<b>Total</b>	<b>776.38</b>	<b>700.10</b>

##### 6.2.3 Closing Stock of Traded Goods as at

Value (in Rs. Lacs)

Sr. No.	Particulars	31 Dec 2014	31 Dec 2013
i.	Metallurgical Chemicals	2.21	2.59
	<b>Total</b>	<b>2.21</b>	<b>2.59</b>

## Notes to Financial Statements (continued)

### Note 28 : Disclosure Notes (continued)

#### 6.3 Details of Finished Goods

##### 6.3.1 Sale of Finished Goods during the year

Value (in Rs. Lacs)

Sr. No.	Particulars	31 Dec 2014	31 Dec 2013
i.	Metallurgical Chemicals	27,901.86	24,321.96
	<b>Total</b>	<b>27,901.86</b>	<b>24,321.96</b>

##### 6.3.2 Closing Stock of Finished Goods as at

Value (in Rs. Lacs)

Sr. No.	Particulars	31 Dec 2014	31 Dec 2013
i.	Metallurgical Chemicals	479.39	532.15
	<b>Total</b>	<b>479.39</b>	<b>532.15</b>

## 7 Segmental Reporting

The Company operates in a single business segment, metallurgical products and services, as defined by Accounting Standard 17. Secondary segmental reporting is identified on the basis of the geographical location of the customers. The Company has identified India and rest of the world for secondary segmental reporting.

Geographical sales are segregated based on the location of the customer who is invoiced or in relation to which the sale is otherwise recognised. Assets other than receivables used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as these are used interchangeably between segments. All assets other than receivables are located in India. Similarly, capital expenditure is incurred towards fixed assets located in India.

Amount (in Rs. Lacs)

Segment	Segment Revenues		Segment Assets	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
India	24,560.41	21,362.72	7,037.75	6,258.28
Rest of the World	1,285.56	1,045.54	272.84	172.17
<b>Total</b>	<b>25,845.97</b>	<b>22,408.26</b>	<b>7,310.59</b>	<b>6,430.45</b>

## Notes to Financial Statements (continued)

### Note 28 : Disclosure Notes (continued)

#### 8 Provision for Tax

The Company's Management is of the opinion that its international transactions with associated enterprises are at 'arm's length' and that the Company is in compliance with the transfer pricing legislation. Further, the Company is in the process of updating its documentation in respect of international transactions with Associated Enterprises as required under section 92E of the Income Tax Act, 1961. The Company's Management believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and the provision for tax as at and for the year ended 31 December 2014

As per our report of even date attached

**For B S R and Co**  
Chartered Accountants  
Firm Registration No. 128510W

**Vijay Mathur**  
Partner  
Membership No. 046476

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

**Pradeep Mallick**  
Chairman

**Sanjay Mathur**  
Managing Director

**Ajit Shah**  
Director

**Indira Parikh**  
Director

**R Umesh**  
Chief Financial Officer

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

**Place :** Pune

**Date :** 28th January, 2015

**Place :** Sanaswadi, Pune

**Date :** 28th January, 2015

## Cash Flow Statement for the year ended 31st December 2014

Particulars	2014 Rs. Lacs	2013 Rs. Lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	<b>3,773.53</b>	<b>2,713.53</b>
Adjustments for :		
Depreciation / Amortisation	465.40	511.87
Unrealised Foreign Exchange (gain) / loss [Net]	(3.49)	3.51
Interest Income	(229.90)	(121.37)
Finance Cost (excluding bank charges)	17.42	26.45
Loss / (Profit) on Sale of Fixed Assets (Net)	5.42	47.38
<b>Operating profit before working capital changes</b>	<b>4,028.38</b>	<b>3,181.37</b>
<u>Adjustments for :</u>		
Decrease / (Increase) in Trade Receivables	(874.55)	230.30
(Increase) in Inventories	(187.78)	(236.29)
(Increase) / Decrease in Loans and Advances (excluding advance taxes and deposits with Income Tax Authorities)	161.74	(160.28)
Decrease / (Increase) in Current Liabilities	159.28	152.15
Increase / (Decrease) in Provisions (excluding provision for tax and proposed dividend)	26.55	1.43
<b>Cash generated from operations</b>	<b>3,313.62</b>	<b>3,168.68</b>
Direct Taxes Paid	(784.41)	(999.54)
<b>Net cash from operating activities</b>	<b>2,529.21</b>	<b>2,169.14</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (including net movement in Capital Work-in-Progress)	(358.70)	(230.93)
Sale of Fixed Assets	16.76	3.20
Fixed Deposits Placed during the year	(4.83)	(6.19)
Fixed Deposits Matured during the year	6.19	-
Interest Received	225.86	121.90
Investments matured during the year	5.26	-
<b>Net cash used in investing activities</b>	<b>(109.46)</b>	<b>(112.02)</b>

## Cash Flow Statement (continued)

Particulars	2014 Rs. Lacs	2013 Rs. Lacs
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Unsecured Loan	(222.93)	(158.40)
Interest Expense Paid	(17.42)	(26.45)
Dividend paid (including tax on distributed dividends)	(1,970.35)	(1,199.54)
<b>Net cash used in financing activities</b>	<b>(2,210.70)</b>	<b>(1,384.39)</b>
Net increase in cash and cash equivalents - (A+B+C)	209.05	672.73
Cash and cash equivalents at the beginning of the year	2,594.84	1,922.11
<b>Cash and cash equivalents at the end of the year</b>	<b>2,803.89</b>	<b>2,594.84</b>
Particulars	2014 Rs. Lacs	2013 Rs. Lacs
<b>Cash and Cash Equivalents</b>		
Cash on Hand	4.00	2.59
Cheques on Hand	426.73	265.54
Balances with Banks		
- On current accounts	1,262.04	925.28
- On deposit accounts (with original maturity of three months or less)	1,050.00	1,350.00
- Unclaimed Dividend Accounts #	61.12	51.43
	<b>2,803.89</b>	<b>2,594.84</b>

# These are restricted bank balances for payment of Unpaid Dividend

As per our report of even date attached

**For B S R and Co**  
Chartered Accountants  
Firm Registration No. 128510W

**Vijay Mathur**  
Partner  
Membership No. 046476

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

**Pradeep Mallick**  
Chairman

**Indira Parikh**  
Director

**Sanjay Mathur**  
Managing Director

**R Umesh**  
Chief Financial Officer

**Ajit Shah**  
Director

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

Place : Mumbai

Date : 28th January, 2015

Place : Sanaswadi, Pune

Date : 28th January, 2015





## Foseco India Limited

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

Tel.: +91 2137 668100 ● Fax: +91 2137 668360

**Website :** [www.fosecointia.com](http://www.fosecointia.com) ● **CIN :** L24294PN1958PLC011052

## Attendance Slip

**58th Annual General Meeting on Friday, March 27, 2015 at 1200 Hrs. (IST)**

Name & Address of the shareholder \_\_\_\_\_

L.F. No.: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

I hereby record my presence at the 58<sup>th</sup> Annual General Meeting of the Company held at the Registered Office of Foseco India Limited, Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur, District Pune 412 208.

Signature of the Shareholder \_\_\_\_\_

Signature of Proxy \_\_\_\_\_

## Foseco India Limited

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

Tel.: +91 2137 668100 ● Fax: +91 2137 668360

**Website :** [www.fosecointia.com](http://www.fosecointia.com) ● **CIN :** 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 58<sup>th</sup> Annual General Meeting of the Company to be held on Friday, March 27, 2015 at 1200 Hrs. (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	For	Against	Abstain
1	Adoption of the Annual accounts and Reports thereon for the year ended 31 December, 2014			
2	Declaration of the Dividend on equity shares			
3	To appoint the Statutory Auditors			
4	Appointment of Merryl France Durrenbach as a Director of the Company			
5	Appointment of Indira Parikh as an Independent Director of the Company			
6.	Appointment of Pradeep Mallick as an Independent Director of the Company			
7.	Appointment of Ajit Shah as an Independent Director of the Company			
8.	Payment of commission to Non Whole time Directors of the Company			
9.	Increase in the ceiling of remuneration payable to the Managing Director			
10.	Approval of the remuneration payable to the Cost Auditor for the year 2014			
11.	Approval of the remuneration payable to the Cost Auditor for the year 2015			

Signed \_\_\_\_\_ this day of \_\_\_\_\_ 2015

**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 resolution, 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, than 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 shareholder  
across Revenue Stamp

Signature of Proxy holder(s)



To,  
Link Intime India Pvt. Ltd.,  
**Unit : Foseco India Limited,**  
Block 202, 2nd Floor,  
Akshay Complex,  
Off Dhole Patil Road,  
Pune - 411 001  
Email: pune@linkintime.co.in

Dear Sir,

**Sub: Electronic Clearing Service (ECS) Mandate Form / Registration of my e-mail ID**

I wish to participate in the Electronic Clearing Services and give below the details of my bank account to which you may electronically credit the payment due to me against the reference folio number :

1. Name of the First Holder (in Block Letters) : \_\_\_\_\_
2. Regd. Folio No. (For Shares held in physical form) : \_\_\_\_\_
3. DP ID & Client ID (For Shares held in electronic form) : \_\_\_\_\_
4. Name of the Bank : \_\_\_\_\_
5. Branch Name : \_\_\_\_\_
6. Bank Address : \_\_\_\_\_
7. Account Number (As appearing on your Cheque Book) : \_\_\_\_\_
8. Account Type: (SB / Current / Cash Credit) : \_\_\_\_\_
9. 9 Digit Code Number of the Bank & Branch  
appearing on the MICR Cheque issued by the Bank.  
**(Please attach photocopy for the accuracy of the MICR Code Number) :** \_\_\_\_\_
10. IFSC Code : \_\_\_\_\_

**Please attach a cancelled cheque or photocopy of the cheque issued by the Bank for verification of the above details. Without this attachment, ECS registration will not be effected.**

I hereby declare that the particulars given above are correct and complete. I undertake to inform of any subsequent changes in the above particulars. If the ECS payment transaction is delayed or not effected at all for reasons of incomplete or incorrectness of information supplied as above or any error made by the bank, I would not hold the Company or the RTA responsible. In case of ECS facility not being available for any reason, the payment instrument may be sent to me at the address registered with the company. This instruction will hold good for payment of dividend for subsequent years also unless revoked by me/us in writing.

\_\_\_\_\_  
Signature of the first shareholder

Name : \_\_\_\_\_

Address : \_\_\_\_\_

Please also register / update my e-mail ID \_\_\_\_\_ against my above folio for receiving the Annual Report in electronic form.

\_\_\_\_\_  
Signature of the first shareholder





**NOMINATION FORM**  
(To be filled in by individual(s) applying singly or jointly)

I/We, [(Name of the shareholder(s))] \_\_\_\_\_

holding (Number of shares) \_\_\_\_\_ Equity shares of the following description in (Name of the Company) \_\_\_\_\_

Folio No.	Certificate Nos.	Distinctive Nos.	Shares covered in each certificate

I/We wish to make a nomination and hereby nominate the following person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of my / our death.

Name & Address of the Nominee	Date of Birth *	Relation with the Nominator(s)

\* To be furnished if the nominee is minor.

\*\* The nominee is minor whose guardian is

Name: Mr. /Ms. /Dr. \_\_\_\_\_

Address: \_\_\_\_\_

\*\* Delete is not applicable

Specimen Signature of the Nominee: \_\_\_\_\_

	Name of the Shareholder(s)	Address of the Shareholder(s)	Signature of the Shareholder(s)
1			
2			
3			

	Name of the Witnesses	Address of the Witnesses	Signature of the Witnesses
1			
2			

Place: \_\_\_\_\_

Date: \_\_\_\_\_

**INSTRUCTIONS:**

1. Please fill up the Holding details in the form for which the Shareholder(s) wish to make nomination.
2. The Nomination can be made by only individuals applying/holding shares debentures on their own behalf singly or jointly. Non-individuals including Society, Trust, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family, Power of Attorney holder cannot nominate. If the shares are held jointly, all joint holders will have to sign the nomination form.
3. The Shareholder(s) can nominate a minor and in that event the name and address of the Guardian shall be given.
4. A nominee shall not be a Trust, Society, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family or a Power of Attorney holder.
5. Nomination stand rescinded upon transfer of share(s).
6. Transfer of share(s) in favour of a nominee shall be a valid discharge by a Company against the legal heir.
7. The intimation regarding nomination shall be filed in **DUPLICATE** with the Company's Registrar and Share Transfer Agents – **Link Intime India Pvt. Ltd., Akshay Complex, Block 202, 2nd floor, Off Dhole Patil Road, Near Ganesh Mandir, Pune-411001** who will return one copy thereof to the Share holder(s).

# Financial Highlights

(Rupees in Lacs)

	2010	2011	2012	2013	2014
<b>Operating Results</b>					
Sales & Other Income (Net of Duties)	19,008.58	23,457.38	24,841.18	22,945.47	26,673.01
Total Expenses	15,708.51	19,268.39	21,103.64	19,693.62	22,416.66
<b>EBITDA</b>	<b>3,300.07</b>	<b>4,188.99</b>	<b>3,737.54</b>	<b>3,251.85</b>	<b>4,256.35</b>
Interest	33.96	16.72	46.45	26.45	17.42
Depreciation	367.71	429.49	465.22	511.87	465.40
<b>Profit before Taxation and Extraordinary Item</b>	<b>2,898.40</b>	<b>3,742.78</b>	<b>3,225.87</b>	<b>2,713.53</b>	<b>3,773.53</b>
Extraordinary Items	-	-	-	-	-
Tax Expense	968.62	1,214.53	1,044.37	931.48	1,314.52
<b>Profit after Taxation</b>	<b>1,929.78</b>	<b>2,528.25</b>	<b>2,181.50</b>	<b>1,782.05</b>	<b>2,459.01</b>
<b>Sources and Application of Funds</b>					
Share Capital	638.65	638.65	638.65	638.65	638.65
Reserves	5,976.27	7,168.38	8,310.66	8,258.67	9,148.58
Shareholders Funds	6,614.92	7,807.03	8,949.31	8,897.32	9,787.23
Deferred Tax Laibility (Net)	3.35	-	-	-	-
Loan Funds / Non Current Liabilities	1,102.71	1,208.23	993.33	823.94	598.58
Current Liabilities	-	4,237.28	4,151.32	4,952.16	4,805.37
<b>Total Sources</b>	<b>7,720.98</b>	<b>13,252.54</b>	<b>14,093.96</b>	<b>14,673.42</b>	<b>15,191.18</b>
Net Fixed Assets	2,572.83	2,816.77	3,127.58	2,782.00	2,667.18
Investments	8.18	8.18	8.18	8.18	2.92
Deferred Tax Assets (Net)	-	48.31	79.95	125.46	155.48
Long Term Loans and Advances	-	728.31	1,149.74	1,188.79	683.29
Net Current Assets	5,139.97	9,650.97	9,728.51	10,568.99	11,682.31
<b>Total Application</b>	<b>7,720.98</b>	<b>13,252.54</b>	<b>14,093.96</b>	<b>14,673.42</b>	<b>15,191.18</b>

<b>Debt Equity Ratio</b>	0.17	0.15	0.11	0.09	0.06
<b>Earning per Share (Rs.)</b>	30.22	39.59	34.16	27.90	38.50
<b>Dividend per Share (Rs.)</b>	17.00	18.00	14.00	24.50	21.00

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

Tel : +91 2137 668100  
Fax : +91 2137 668360  
Website : [www.fosecoindia.com](http://www.fosecoindia.com)  
CIN : L24294PN1958PLC011052

### Our Vision

Our 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

### Our Values

- Creativity
- Cooperation
- Reliability
- Integrity
- Embracing Diversity

### Our Business Strategy

To improve our customer's business performance :

- By being the partner providing the greatest value
- Achieved through a solutions partnering approach delivering improved foundry processes and casting quality
- Based upon world class proprietary technology, foundry process and product application expertise and excellence in customer service.



## 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](http://www.fosecoindia.com)  
Corporate Identity Number: L24294PN1958PLC011052

## Notice to the Shareholders

**NOTICE IS HEREBY GIVEN** that the **FIFTY EIGHTH Annual General Meeting** of the Members of **Foseco India Limited** will be held on Friday, 27 March, 2015 at 1200 Hrs. (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 2014, 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 declare a final dividend on the Equity Shares for the financial year ended 31 December 2014.
3. To appoint the Statutory Auditors and to fix their remuneration and in this connection to consider and if thought fit, to pass, with or without modification, 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 other applicable rules, if any, B S R & Associates LLP (ICAI Firm Registration Number: 116231W / W-100024), Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company, in place of B S R and Co. (ICAI Firm Registration Number: 128510W), Chartered Accountants, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Sixtieth (60th) AGM of the Company to be held in the year 2017 (subject to ratification of their appointment by the Members at every AGM held after this AGM) at such remuneration plus service tax, out of pocket and travelling expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors based on the recommendation of the Audit Committee."

### SPECIAL BUSINESS:

#### 4. Appointment of Merryl France Durrenbach as a Director of the Company

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

"RESOLVED THAT **Merryl France Durrenbach (DIN: 06920690)**, who was appointed as an Additional Director of the Company with effect from 21 July, 2014 by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 ("the Act") and who holds office as such up to the date of this Annual General Meeting has submitted a declaration that she is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

#### 5. Appointment of Indira Parikh 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, 150, 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 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Indira Parikh (DIN: 00143801)**, who was appointed as an Additional Director of the Company with effect from 21 July, 2014 pursuant to Section 161 of the Act, and who holds office as such up to the date of this Annual General Meeting has submitted declarations that she is eligible for appointment and that she meets the criteria of independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges and that she has given a notice in writing under Section 160 of the Act to the Company, proposing herself as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term commencing from 27 March, 2015 and ending on the date of the Annual General Meeting to be held in the year 2019."

#### 6. Appointment of Pradeep Mallick 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, 150, 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 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Pradeep Mallick (DIN: 00061256)**, Director of the Company who retires by rotation at 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 Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges and that he has given a notice in writing under Section 160 of the Act to the Company, proposing himself as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term commencing from 27 March, 2015 and ending on the date of the Annual General Meeting to be held in the year 2018."

## 7. 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 an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 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 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Ajit Shah (DIN: 02396765)**, Director of the Company who retires by rotation at 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 Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges and that he has given a notice in writing under Section 160 of the Act to the Company, proposing himself as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a term commencing from 27 March, 2015 and ending on the date of the Annual General Meeting to be held in the year 2019."

## 8. Payment of commission to Non Whole time Directors of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) a sum not exceeding one percent (1%) per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, be paid to and distributed amongst the Directors of the Company, or some or any of them (other than the Managing Director, Executive Directors and foreign Foseco-nominated Directors), in such amounts or proportions, as may be determined by the Board of Directors and in default of such determination equally such payments shall be made in respect of the profits of the Company for each year, for a period of five years, commencing from 1 January, 2015 and ending on 31 December, 2019."

"RESOLVED FURTHER THAT the payment or distribution of commission, as the case may be, will be in addition to the sitting fees paid for attending the Board / Committee Meetings of the Company."

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

## 9. Increase in the ceiling of remuneration payable to the Managing Director

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

"RESOLVED THAT in supersession of the resolution passed by the Shareholders of the Company at the Annual General Meeting held on 22 April 2014, pursuant to the provisions contained in Section 197 and 198 of the Companies Act, 2013, the ceiling of the maximum remuneration approved to be payable to the Managing Director, which includes basic salary, personal allowance and annual bonus be increased from the present level of Rs. 2,00,00,000/- per annum to Rs. 3,00,00,000/- per annum, subject to the approval of the Central Government, if necessary."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized and empowered to alter, vary or modify the limits within the maximum remuneration of Rs. 3,00,00,000/- per annum, without any further approval of the Company in a General Meeting."

## 10. Approval of the remuneration payable to the Cost Auditor for the year 2014

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 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded for the payment of remuneration of Rs. 3,50,000/- (Rupees Three Lac Fifty Thousand only) plus Service Tax at the applicable rates and reimbursement of out of pocket expenses to Joshi Apte & Associates, Cost Accountants, Pune (Firm Registration No. : 000240) appointed by the Board of Directors of the Company, for conducting the audit of the cost records of the Company for the financial year ended 31 December, 2014".

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

## 11. Approval of the remuneration payable to the Cost Auditor for the year 2015

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 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded for the payment of remuneration of Rs. 3,50,000/- (Rupees Three Lac Fifty Thousand only)

plus Service Tax at the applicable rates and reimbursement of out of pocket expenses to Joshi Apte & Associates, Cost Accountants, Pune (Firm Registration No. : 000240) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending on 31 December, 2015".

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

#### 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 the Rules framed thereunder, 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 or, if the appointer is a body corporate, the proxy form should be signed by an officer of the Company under his/her official seal or an attorney duly authorised by him/her.
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. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 21 March, 2015 to Friday, 27 March, 2015 (both days inclusive) in terms of the provision of Section 91 of the Companies Act, 2013, for determining the entitlement of the shareholders to the payment of dividend, if declared at the Meeting.
9. The final dividend, if declared at the AGM, shall be paid/credited on or before 25 April, 2015 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, 20 March, 2015; 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, 20 March, 2015.
10. Members holding shares in physical form are requested to intimate any change in address, change of name, bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, e-mail address, contact numbers, etc., to the Company's Registrar & Transfer Agents, Link Intime India Pvt. Ltd., at Block 202, 2nd Floor, Akshay Complex, Off Dhule 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 shares in dematerialised form are requested to intimate such changes to their respective depository participants.
11. 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 RTA. Members holding shares in electronic mode may contact their respective Depository Participant (DP) for availing this facility.
12. **TRANSFER OF UNCLAIMED/UNPAID DIVIDENDS TO 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 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.
13. In line with the Green Initiative of the Ministry of Corporate Affairs, hard copy of the Annual Report containing the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement etc. will be sent to those shareholders who have not registered their e-mail addresses. Shareholders who have registered their e-mail addresses will be sent the soft copies by e-mail. However, a shareholder continues to retain the right to request the Company for a hard copy of the Report.
14. To ensure that shareholders' queries are answered in full, shareholders are requested to write to the Company at an early date at the e-mail ID **mahendra.dutia@foseco.com**.
15. Relevant documents referred to in the accompanying Notice and the explanatory statement, the Statutory Registers, the Audited Financial

Statements, the Directors' Report and the Auditor's Report, will remain open for inspection at the Registered Office of the Company on all working days between 09:00 am to 5:00 pm. excluding Saturdays, Sundays and public holidays upto the date of the AGM. The Audited Financial Statements, the Directors' Report and the Auditor's Report will be placed on the Company's website on **www.fosecoindia.com**

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

#### 17. 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 and Clause 35B of the Listing Agreement, the Company is pleased to provide its Members facility to exercise their right to vote at the 58th Annual General Meeting (AGM) by electronic means and the items of business as detailed in this Notice may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL):

#### The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 19 March, 2015 at 9.00 am and ends on 21 March, 2015 at 6.00 pm. During this period, Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **13 February, 2015** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website **www.evotingindia.com** during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your 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) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN <b>Field</b>.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If 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 (v).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login 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 for "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 will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) 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 **<https://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](mailto: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 should be mailed to **[helpdesk.evoting@cdslindia.com](mailto: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) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **[www.evotingindia.com](http://www.evotingindia.com)** under help section or write an email to **[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)**.

- II. Please note that the Members who have exercised their right to vote by electronic means shall not be eligible to vote by way of poll at the Meeting. If a Member casts vote by both the modes, then votes cast through e-voting shall prevail and voting at the Meeting will be treated invalid. 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 **13 February 2015**.
- III. The poll process shall be conducted and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting shall be counted for the purpose of passing of resolution(s).
- IV. The Company has appointed Grishma Khandwala, Practising Company Secretary (Membership No. ACS 6515 CP No. 1500), as the Scrutinizer, to scrutinize the e-voting process, in a fair and transparent manner.
- V. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VI. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 58th Annual General Meeting of the Company scheduled to be held on Friday, 27 March, 2015. At the said Annual General Meeting, the Chairman shall declare the results of voting on the Resolutions set out in the Notice. The results declared along with the Scrutinizer's Report shall be placed on the Company's website **[www.fosecoindia.com](http://www.fosecoindia.com)** and on the website of CDSL, within two days of the passing of the resolutions at the AGM of the Company and shall also be communicated to the Stock Exchanges.

**Registered Office :**

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

**Date: 24 February, 2015**

By Order of the Board of Directors

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

# 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 Statements set out all material facts relating to the business mentioned under Item Nos. 3 to 11 of the accompanying Notice.

### Item No. 3

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

B S R and Co (Firm Registration Number: 128510W) were appointed as Statutory Auditors of the Company at the 57th Annual General Meeting held on 22 April, 2014. B S R and Co., has been the Statutory Auditor of the Company since April 2008 and has completed a term of 7 years. As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an audit firm as an Auditor for more than two terms of five consecutive years.

However, in view of the internal process of re-alignment at the Statutory Auditors' firms, B S R & Associates LLP, (Firm registration number: 116231W/ W100024), Chartered Accountants, Pune replaces B S R and Co., as Statutory Auditors of the Company.

B S R & Associates LLP (Firm registration number: 116231W/ W100024), has furnished certificate expressing their willingness to be appointed as the Statutory Auditors and that their appointment, if made, at the ensuing Annual General Meeting would be in accordance with the conditions laid down under the Act and Rule 4 of Companies (Audit and Auditors) Rules, 2014.

In view of the above, B S R & Associates LLP (Firm registration number: 116231W/ W100024), being eligible for appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its Meeting held on 28 January 2015, proposed the appointment of B S R & Associates LLP, as the Statutory Auditors of the Company for a period of 2 years to hold office from the conclusion of this Annual General Meeting until the conclusion of 60th Annual General Meeting to be held in the year 2017, (subject to ratification of their appointment by the Members at every AGM).

The Board recommends the Resolution as set out at Item No. 3 for approval by the Members to be passed as an **Ordinary Resolution**.

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

### Item No. 4

Merryl France Durrenbach, aged 40 years, is a Non-Executive Director on the Board of the Company, who was appointed as an Additional Director of the Company on 21 July, 2014. Her term of office will conclude on the date of the ensuing Annual General Meeting. The Company has received a Notice in writing along with a deposit of Rs. 1 Lac, under Section 160 of the Act, from Foseco Overseas Limited, a Member of the Company, who has nominated her as a Director on the Board of the Company, proposing her candidature for the office, liable to retire by rotation.

Merryl France Durrenbach is a French National. She has an experience of 14 years as an external / internal audit and risk assurance gained in the Automotive, Oil & Gas, Plastic & Paper Packaging and Services. In her previous role, Merryl set-up and developed from a zero base a strong internal audit team, and established robust audit processes globally, supporting all areas of the business to deliver improvements and mitigate risks. That audit team was recognised as one of the best for UK public companies. Merryl graduated from the Paris Institute Superior of Management with a Masters degree in Finance & Management. She is head of Internal Audit for Vesuvius plc.

Merryl France Durrenbach does not hold Directorship in any other public Company in India except Foseco India Limited. Merryl is a Member of the Board's Audit Committee and the Stakeholders' Relationship Committee of the Board of the Company.

She has submitted a declaration that she is not disqualified to become a Director as provided in Section 152(5) of the Act and that she is eligible for appointment.

She does not hold any shares in the Company.

The Board recommends the Resolution as set out at Item No. 4 for approval by the Members to be passed as an **Ordinary Resolution**.

None of the Directors, Manager or any other key managerial personnel or any of their relatives, except Merryl Durrenbach, in her capacity of being a Director, is concerned or interested, whether financially or otherwise, in this Resolution.

### Item No. 5, 6 and 7

In accordance with Article 137 of the Articles of Association of your Company, Indira Parikh, aged 71 years, was appointed as an Additional Independent Director on the Board of Foseco India Limited on 21 July 2014. In terms of Section 149, 152 and 161 of the Companies Act, 2013 (the Act) read with the relevant Rules, she holds office as an Additional Director upto the date of the ensuing Annual General Meeting and being eligible, offers herself for appointment as a Director. Indira Parikh will be appointed as a Non-Executive Independent Director on the Board of the Company pursuant to the provision of Section 149 of the Act read with the relevant Rules and Clause 49 of the Listing Agreement.

Pradeep Mallick and Ajit Shah, Non-Executive Independent Directors, on the Board are liable to retire by rotation. In view of the provisions of Sections 149 and 152 and other applicable provisions read with the Schedule IV of the Companies Act, 2013, the appointment of these Directors is now being placed before the Members for their approval for a term commencing from 27 March, 2015 and ending on the date of the Annual General Meeting to be held in the years 2018 and 2019 respectively.

The Company policy requires that Board Members retire at the AGM following their 75th birthday. In such cases, the tenure of the Independent Directors will conclude at the AGM following their 75th birthday even if it falls before the end of their 5 years tenure.

The Board of Directors (excluding the Director being evaluated) had, in their Meeting held on 27 January, 2015 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.

The Company has received declarations from Indira Parikh, Pradeep Mallick and Ajit Shah that they are eligible for appointment and that they meet the criteria for independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement(s) entered with the Stock Exchanges. They have individually given Notice in writing, to the Company, on their own behalf, along with a deposit of Rs. 1 Lac each, under Section 160 of the Act to the Company, proposing their respective candidature for the office of Director, not liable to retire by rotation.

In the opinion of the Board, each of these Directors fulfils the conditions specified in the Act and the rules framed thereunder for appointment as Independent Directors and they are Independent of the Management. The Board also considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of all of them as Independent Directors on the Board of the Company and not liable to retire by rotation.

The Copy of the draft letter for 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 and Sundays. They are also posted on Company's website - [www.fosecointia.com](http://www.fosecointia.com).

Brief Profiles alongwith other details of said Directors are provided in the Report on Corporate Governance forming part of the Annual Report.

None of the above Directors are holding any Equity Shares of the Company.

Accordingly, the Board recommends the Resolutions Set out in Item Nos. 5 to 7 of the Notice for the approval by the Members of the Company as an **Ordinary Resolutions**.

Save and except, Indira Parikh, Pradeep Mallick and Ajit Shah being appointees to their respective reappointments, 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**

Members may recall that at the 57th Annual General Meeting of the Company held on 22 April, 2014, they had approved of the payment of commission not exceeding one percent of the net profits computed in the manner laid down in Sections 349 and 350 of the Companies Act, 1956 to the Independent Directors of the Company (other than the Managing Director, Executive Directors and foreign Foseco-nominated Directors) for the period of 5 years from 1 January, 2014 to 31 December 2018.

Due to the coming into effect of the Companies Act, 2013, it is proposed to continue with the payment of commission to the Independent Directors in terms of the provisions of Section 197 and 198 for the period of 5 years starting from 1 January, 2015 to 31 December 2019, and pass a resolution under the said Act, as a **Special Resolution**.

None of the Directors, Manager or any other key managerial personnel or any of their relatives, other than the Independent Directors, in their capacity of being the Director(s), is / are concerned or interested, whether financially or otherwise, in this Resolution.

#### **Item No. 9**

At the 56th Annual General Meeting of the Company held on 22 April, 2013, Sanjay Mathur was re-appointed as a Managing Director for a period of 3 years from 1 April, 2013 to 31 March, 2016 and the maximum limit of remuneration package which included basic salary, personal allowance and annual bonus payable was fixed at Rs. 2,00,00,000/- per annum. The Board of Directors have reviewed his performance and are of the opinion to increase the ceiling of the remuneration payable to him which included basic salary, personal allowance and annual bonus payable to Rs. 3,00,00,000/- per annum. Authority of the shareholders be given to the Board to revise his salary from time to time up to the maximum limit of Rs. 3,00,00,000/- per annum.

Brief Profile of Sanjay Mathur, aged 50 years, is provided in the Report on Corporate Governance forming part of the Annual Report.

Sanjay Mathur does not hold any Equity Shares in the Company.

The Board of Directors recommends the Resolution as an **Ordinary Resolution** to the Shareholders of the Company for passing, subject to Central Government's permission, if required, as laid down in special business item no. 9.

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. 10 and 11

The Board, 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 ended 31 December, 2014 and 31 December 2015, at a remuneration of Rs. 3,50,000/- (Rupees Three Lac Fifty Thousand only) plus Service Tax at the applicable rates and reimbursement of out of pocket expenses for each of the years.

Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, requires that the remuneration payable to the Cost Auditor, be approved by the Members of the Company.

Accordingly, the Board recommends the **Ordinary Resolution** as set out at Item No. 10 and 11 of the Notice for approval by the Members, of the remuneration payable to the Cost Auditor for the financial year ended 31 December, 2014 and 31 December, 2015.

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

#### Registered Office :

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

By Order of the Board of Directors

**Mahendra Kumar Dutia**

Controller of Accounts &  
Company Secretary

**Date: 24 February, 2015**

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

Particulars	Merryl France Durrenbach	Indira Parikh
Date of Birth	17 April, 1974	29 August, 1943
Date of Appointment	21 July, 2014	21 July, 2014
Qualifications	<ul style="list-style-type: none"> <li>Masters Degree in Finance &amp; Management from the Paris Institute Superior of Management, Paris</li> </ul>	<ul style="list-style-type: none"> <li>M.Ed. from University of Rochester, New York, USA</li> <li>Doctorate from Gujarat University</li> </ul>
Expertise in specific functional areas	<p>Extensive experience as an external / internal auditor and risk assurance in the Automotive, Oil &amp; Gas, Plastic &amp; Paper Packaging and Services sector.</p> <p>Head of the Internal Audit function for Vesuvius plc.</p>	<p>Specialist in organization development, design and institution building.</p> <p>Conducting management and leadership development programs in public sector, private sector and multinational organizations.</p> <p>The Founder President of FLAME, being involved in creating the academic vision.</p> <p>Conceptualized the Centre for Organizational Growth and Excellence (COGE) with its focus on thresholds of life, lifelong learning, development and growth.</p>
Directorship held in other public Companies (excluding Foseco India Limited, Foreign Companies, Section 25 Companies, Private Limited Companies and Companies where he/she is an Alternate Director)	Nil	<ul style="list-style-type: none"> <li>Amanta Healthcare Limited (unlisted company)</li> <li>Zyduz Wellness Limited</li> <li>Anil Limited</li> <li>Sintex Industries Limited</li> <li>Force Motors Limited</li> <li>Hitachi Home &amp; Life Solutions (India) Limited</li> <li>Deepak Nitrite Limited</li> </ul>

Particulars	<b>Merryl France Durrenbach</b>	<b>Indira Parikh</b>
Memberships / Chairmanships of Committees of all public Companies (includes only Audit Committee and Stakeholders' Relationship Committee)	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• Foseco India Limited</li> </ul> <b>Stakeholders' Relationship Committee</b> <ul style="list-style-type: none"> <li>• Foseco India Limited</li> </ul>	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• Zyduz Wellness Limited</li> <li>• Sintex Industries Limited</li> <li>• Force Motors Limited</li> <li>• Foseco India Limited</li> </ul> <b>Stakeholders' Relationship Committee</b> <ul style="list-style-type: none"> <li>• Force Motors Limited</li> <li>• Foseco India Limited</li> </ul>
Number of Shares held in the Company	Nil	Nil
Relationship with any Director(s) of the Company	No	No

Particulars	<b>Pradeep Mallick</b>	<b>Ajit Shah</b>
Date of Birth	20 November, 1942	11 October, 1946
Date of Appointment	21 October, 2011	17 October, 2013
Qualifications	<ul style="list-style-type: none"> <li>• Graduate Electrical Engineer, B.Tech from IIT Madras</li> <li>• Chartered Engineer of the Fellow of the Institution of Engineering &amp; Technology (FIET), London</li> <li>• Diploma in Business Management from UK.</li> </ul>	<ul style="list-style-type: none"> <li>• Fellow Member of the Institute of Chartered Accountants of India</li> <li>• Senior Partner at M. A. Parikh &amp; Co., a firm of Chartered Accountants at Mumbai.</li> </ul>
Expertise in specific functional areas	<p>Worked extensively in the field of Power Distribution &amp; Power Transmission, managing large turnkey projects in India, Gulf, West Asia and North Africa.</p> <p>A Strategic Adviser cum Sounding Board to CEOs and an Executive Coach / Mentor to Corporate Executives, focusing on Leadership Development.</p>	<p>Specialisation in the field of Audits and Assurances, domestic and inter-national transfer pricing, valuation and consultancy in the field of finance and taxation.</p> <p>Associated as consultant with well-known multinational groups like Merck, Germany, WPP Group, UK, American President Lines, Singapore, Mitsui OKS Lines, Japan and certain Tata group Companies;</p>
Directorship held in other public Companies (excluding Foseco India Limited, Foreign Companies, Section 25 Companies, Private Limited Companies and Companies where he/she is an Alternate Director)	<ul style="list-style-type: none"> <li>• Automotive Stampings and Assemblies Limited</li> <li>• Gujarat Pipavav Port Limited</li> <li>• Blue Star Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Mount Everest Mineral Water Limited</li> </ul>
Memberships / Chairmanships of Committees of all public Companies (includes only Audit Committee and Stakeholders' Relationship Committee)	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• Automotive Stampings and Assemblies Limited</li> <li>• Gujarat Pipavav Port Limited</li> <li>• Blue Star Limited</li> <li>• Foseco India Limited</li> </ul> <b>Stakeholders' Relationship Committee</b> <ul style="list-style-type: none"> <li>• Gujarat Pipavav Port Limited</li> <li>• Foseco India Limited</li> </ul>	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• Mount Everest Mineral Water Limited</li> <li>• Foseco India Limited</li> </ul> <b>Stakeholders' Relationship Committee</b> <ul style="list-style-type: none"> <li>• Foseco India Limited</li> </ul>
Number of Shares held in the Company	Nil	Nil
Relationship with any Director(s) of the Company	No	No