



Solutions Partner to the
Expert Foundryman

Company Information

Board of Directors

Pradeep Mallick	Chairman
Sanjay Mathur	CEO & Managing Director
David Hughes	Director
Chris O'Shea	Director
Ajit Shah	Director
Christopher Nail	Director
R Umesh	CFO & Compliance Officer
Mahendra Dutia	Controller of Accounts and Company Secretary

Shareholders and Investors Grievance Committee

Pradeep Mallick	Chairman
Sanjay Mathur	
David Hughes	
Chris O'Shea	
Ajit Shah	
Christopher Nail	
R Umesh	CFO & Compliance Officer
Mahendra Dutia	Controller of Accounts and Company Secretary

Terms of Reference : The terms of reference fully conform to Clause 49 of the Listing Agreement.

Audit Committee

Ajit Shah	Chairman
Pradeep Mallick	
Chris O'Shea	
R Umesh	CFO & Compliance Officer
Mahendra Dutia	Controller of Accounts and Company Secretary

Terms of Reference : The terms of reference fully conform to Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

Nomination Committee

Ajit Shah	Chairman
Pradeep Mallick	
David Hughes	
R Umesh	CFO & Compliance Officer
Mahendra Dutia	Controller of Accounts and Company Secretary

Terms of Reference : The purpose of the Committee is to determine and propose for Board approval the criteria for selection of Executive and Non-Executive Directors. When the need arises to appoint a Director, the Committee will play a proactive role in identifying suitable candidates for presentation to the Board.

Remuneration Committee

Pradeep Mallick	Chairman
Ajit Shah	
David Hughes	
Chris O'Shea	
Christopher Nail	

Terms of Reference : The terms of reference of this Committee is to review and recommend the remuneration and performance linked bonuses of Executive Directors and the payment of commission to Non-Executive Directors.

Contents

Registered Office

Gat Nos. 922 & 923,
Sanaswadi, Taluka Shirur,
District Pune 412 208
Tel.: (02137) 668100
Fax: (02137) 668360
Website : www.fosecoindia.com

Factories

- Sanaswadi, Pune
- Puducherry

Statutory Auditors

- B S R and Co.

Bankers

- Standard Chartered Bank
- ICICI Bank Ltd.
- IDBI Bank Ltd.
- HDFC Bank Ltd.
- State Bank of India
- Indian Overseas Bank
- 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
Fax : 020 2616 3503
Website : pune@linkintime.co.in

Notice to the Shareholders	.....2
Certification by CEO & CFO	.....5
Declaration pursuant to clause 49 I (D) of the listing agreement	.....6
Directors' Report	.....7
Management Discussion & Analysis	.....12
Corporate Governance Report	.....17
Corporate Social Responsibility Policy	.....27
Code of Conduct and Ethics	.....28
Whistleblower Policy	.....30
Integrated Management System Policy	.....31
Strategic Risk Management Policy	.....32
Dissemination of Information to the Market	.....33
Independent Auditors' Report	.....36
Balance Sheet	.....40
Statement of Profit and Loss	.....41
Notes to Financial Statements	.....42
Cash Flow Statement	.....66
Attendance Slip and Proxy Form	.....69
ECS Mandate Form	.....71
Nomination Form	.....73
Financial Highlights	.... inside back cover

Notice to the Shareholders

NOTICE IS HEREBY GIVEN THAT the FIFTY SEVENTH Annual General Meeting of **Foseco India Limited** will be held on Tuesday, April 22, 2014 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 31st December 2013, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date, including any explanatory note annexed to, or forming part of, the aforementioned documents, together with the reports of the Directors and the Auditors thereon.
2. To declare a final dividend on 63,86,459 Equity Shares for the year ended on 31st December 2013.
3. To appoint a Director in place of Pradeep Mallick, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint 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 Section 224 of the Companies Act, 1956, B S R and Co., Chartered Accountants (ICAI firm registration no. 128510W), be and are hereby appointed as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at the remuneration and terms to be determined by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED that Ajit Shah who was appointed as an Additional Director of the Company with effect from 17th October, 2013 by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 read with Article 137 of the Articles of Association of the Company and who holds office as such up to the date of this Annual General Meeting and in respect of whom the Company has received a notice proposing his candidature under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification, the following resolution as an **SPECIAL RESOLUTION**:

"RESOLVED that pursuant to Sections 309(4) and 309(7) of the Companies Act, 1956 read with Article 141 of the Articles of Association of the Company, the Directors (other than the Managing Director, the Whole-time Directors, Special Directors and foreign Foseco-nominated Directors) be paid with effect from 1st January 2014 in respect of each financial year of the Company (as defined under Section 2(17) of the Companies Act, 1956 for five financial years, a commission (to be divided among them in such manner as the Board of Directors may from time to time determine and in default of such determination, equally) of such amount as may be determined by the Board of Directors but not exceeding an amount equal to 1% of the net profits of the Company computed in the manner prescribed in Section 198(1) of the Companies Act, 1956."

NOTES:

1. **A Member of a 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.** Proxies, in order to be effective, must be received by the Company at the Registered Office not later than 48 hours before the start of the meeting. Members are requested to sign the attendance slip annexed to the proxy form and hand it over at the gate.
2. 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.
3. The Register of Members and Share Transfer Books will remain closed from Saturday, 12th April 2014 to Tuesday, 22nd April 2014 (both days inclusive).
4. Payment of dividend, if approved at the Annual General Meeting, will be made on or before 21st May, 2014.
5. Members holding shares in physical form are requested to intimate any change in address, name, bank details, mandates in respect of National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), 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 Dhole Patil Road, Pune - 411 001 (Phone No. 020-2616 0084, Fax : 020-2616 3503 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.

6. **TRANSFER OF UNCLAIMED/UNPAID DIVIDENDS TO INVESTORS EDUCATION and PROTECTION FUND (IEPF):**
Pursuant to Section 205A of the Companies Act, 1956 read with the Investors Education and Protection Fund (Awareness and Protection of Investors) Rules 2001, all unclaimed / unpaid dividend up to 3rd interim dividend of 2006 has been transferred to the Investors Education and Protection Fund set up by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred. Members are therefore requested to encash their dividend warrants immediately for subsequent years to prevent possible loss of dividend. Members should refer to the **"Corporate Governance Report"** for information in connection with the unclaimed / unpaid dividend. 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.
7. In line with the Green Initiative of the Ministry of Corporate Affairs, hard copy of the Annual Report containing Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Directors' Report, and Auditors' Report 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. However, a shareholder continues to retain the right to request the Company for a hard copy of the Annual Report.
8. 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.
9. A Statement as required by Section 102 of the Companies Act, 2013 is annexed to this Notice.

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

Date: January 21, 2014

By Order of the Board of Directors

Mahendra Kumar Dutia
Controller of Accounts &
Company Secretary

STATEMENTS AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

In accordance with Article 137 of the Articles of Association of your Company, Ajit Shah was appointed as a Non-Executive Independent Director on the Board of Directors of Foseco India Limited on 17th October, 2013. In terms of Section 260 of the Companies Act, 1956, Ajit Shah holds office as an Additional Director upto the date of the ensuing Annual General Meeting and being eligible, offers himself for appointment as Director. The Company has received notice from a Member under Section 257 of the Companies Act, 1956, along with a deposit of Rs. 500/-, in respect of Ajit Shah, proposing his appointment as a Director of the Company.

Ajit Shah aged 67 years 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. His credentials are :

- i) Specialisation in the field of audits and assurances, domestic and international transfer pricing, valuation and consultancy in the field of finance and taxation;
- ii) 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;
- iii) Serves on the Board of Mount Everest Minerals Water Limited (a Tata Group company) as a Director and also as the Chairman of the Audit Committee of the Board of the Company.

Ajit Shah is the Chairman of the Audit Committee and the Nomination Committee of the Board of the Directors of the Company and also a Member of the Shareholders' and Investors' Grievance Committee and the Remuneration Committee of the Board of the Company.

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

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

Item No. 6.

Members may recall that at the 51st Annual General Meeting of the Company held on 22nd April, 2008, consent was given to the Company to pay 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 Directors of the Company other than the Managing Director, Whole-time Directors and Special Directors and foreign Foseco-nominated Directors for the period of 5 years from 1st January 2009 to 31st December 2013. It is recommended that the payment of commission to the Directors be extended for a period of five years from 1st January 2014 in relation with their contribution, expertise and knowledge they bring to the Company.

As per the provisions of Section 309(4)(b) read with Section 309(7), a special resolution is required for authorising such payment.

None of the Directors, Manager or any other key managerial personnel or any of their relatives, other than the Indian non-whole-time Directors in their capacity of being the Director(s), is / are concerned or interested, whether financially or otherwise in passing this Resolution as it pertains to the payment of commission to them .

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: January 21, 2014

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

Particulars	Pradeep Mallick
Date of Birth	20 th November, 1942
Date of Appointment	21 st October, 2011
Qualifications	<ul style="list-style-type: none"> • Graduate in Electrical Engineer, B.Tech from IIT Madras • Chartered Engineer of the Fellow of the Institution of Engineering & Technology (FIET), London • Diploma in Business Management from UK.
Expertise in specific functional areas	<ul style="list-style-type: none"> • Worked extensively in the field of Power Distribution & Power Transmission, managing large turnkey projects in India, Gulf, West Asia and North Africa. • A Strategic Adviser cum Sounding Board to CEOs and an Executive Coach / Mentor to Corporate Executives, focusing on Leadership Development.
Directorship held in other public companies (excluding Foseco India Limited, Foreign companies and Section 25 companies, Private Limited Companies and Companies where he/she is an Alternate Director)	<ul style="list-style-type: none"> • Automotive Stampings and Assemblies Limited • Gujarat Pipavav Port Limited • Blue Star Limited • ESAB India Limited
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Shareholders' and Investors' Grievance Committee)	<p>Audit Committee</p> <ul style="list-style-type: none"> • Automotive Stampings and Assemblies Limited • Gujarat Pipavav Port Limited • Blue Star Limited • ESAB India Limited <p>Shareholders' and Investors' Grievance Committee Nil</p>
Number of Shares held in the Company	Nil
Relationship with any Director(s) of the Company	No

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

21st January 2014

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

We hereby certify that for the financial year ended 31st December, 2013 Annual Accounts, we have reviewed the Financial Statements and the Cash Flow Statement 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 financial year 2013 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 those deficiencies, of which we are aware, in the design or operation of the internal control systems, if any, and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
 - (a) there have been no significant changes in internal control 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, of management or an employee having a significant role in the Company's internal control system.

Sanjay Mathur
Managing Director

R Umesh
Chief Financial Officer

DECLARATION PURSUANT TO CLAUSE 49 I (D) OF THE LISTING AGREEMENT

As required under Clause 49 I (D)(ii) of the Listing Agreement with the Stock Exchanges, this is to confirm that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company in respect of the financial year ended 31st December, 2013.

For Foseco India Limited

Place : Pune
Date : January 21, 2014

Sanjay Mathur
Managing Director

Directors' Report

Your Directors are pleased to present the Company's 57th Annual Report and the audited accounts for the year ended 31 December 2013.

1. PERFORMANCE REVIEW

The year 2013 saw India getting adversely impacted by the weakening global economy. The rate of GDP growth fell to sub 5 per cent by the end of the year, the lowest in a decade. The inflation remained persistently high and the exchange rate fluctuated sharply creating a highly challenging industrial scenario in the country. The IIP (Index of Industrial Production) contracted cumulatively 0.1% for the April - December 2013 period signalling that the slowdown of the economy was well entrenched. The foundry industry segment in which your Company operates faced challenges of excess capacity, high input costs due adverse exchange rates and exorbitant power and fuel costs. Higher interest cost crippled the liquidity in the Foundry Industry apart from affecting the sales growth. Southern India, having the largest clusters of foundries, suffered from acute power shortage for most part of the year, thereby causing loss of production at these units.

During the year under review, your Company achieved a lower gross turnover of Rs. 25022.06 Lacs against Rs. 27277.38 Lacs achieved in the previous financial year. Profit Before Tax fell to Rs. 2713.53 Lacs (previous year: Rs. 3225.87 Lacs) and Profit After Tax dropped to Rs. 1782.05 Lacs (previous year: Rs. 2181.50 Lacs).

The Management Discussion and Analysis Report annexed provides a more detailed review of the operating performance.

2. DIVIDEND & APPROPRIATIONS

An amount of Rs. 178.21 Lacs (previous year: Rs. 218.15 Lacs) has been credited to General Reserves during the year.

For the year ended 31st December, 2013, your Directors have recommended payment of a final dividend of 155% on paid-up equity share capital (i.e., Rs. 15.50 per share), which includes a special one-time dividend of 125% on paid-up equity share capital (i.e., Rs. 12.50 per share), which, if approved by the Members, will be paid to the:

Equity Shareholders whose names appear in the Register of Members on 22nd April, 2014 and

Beneficial owners whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

The Board had declared 15% first interim dividend in April 2013, 30% second interim dividend in August 2013 and 45% third interim dividend in October 2013 on the paid-up equity share capital of the Company and this has been paid to registered holders of equity shares. The total of the interim and proposed final dividends is 245% (inclusive of special one-time dividend of 125%) of paid-up equity share capital.

3. 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.88.86 Lacs (previous year Rs. 76.87 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 in 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 overseas affiliates of the Foundry Division.

4. CONSERVATION OF ENERGY

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

5. INTEGRATED MANAGEMENT SYSTEM POLICY

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

6. IMPORTS / EXPORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. IMPORTS

Imports of raw materials during the year amounted to Rs.1787.21 Lacs (previous year: Rs. 1947.11 Lacs) and capital goods & spares of Rs. 35.72 Lacs (previous year: Rs. 32.38 Lacs).

B. EXPORTS

Exports were mainly to Middle East, ASEAN and China. Exports during the year decreased marginally to Rs.1045.54 Lacs from Rs. 1093.67 Lacs in the previous year.

C. EARNINGS AND OUTGO

Details are provided under Point 5.1 to 5.3 of Note 28 of "Notes to Financial Statements" for the year ended 31st December 2013.

7. 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.

8. 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 Director's Report.

A Cash Flow Statement for the year ended 31st December 2013 is attached to the Balance Sheet.

9. 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 your Company is fully compliant as on 31st December 2013 with the SEBI Guidelines on Corporate Governance.

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act 1956, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed with no material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable, prudent and in the best interest of the Company's business so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the same period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis.

11. DIRECTORS

Ajit Shah was appointed as an Additional Director on the Board of the Company with effect from 17th October, 2013. As an Additional Director, Ajit Shah holds office upto the date of the ensuing Annual General Meeting and being eligible, offers himself for appointment as Director. The Company has received notice from a Member under Section 257 of the Companies Act, 1956 along with a deposit of Rs. 500/-, in respect of Ajit Shah, proposing his appointment as a Director of the Company.

Pradeep Mallick retires by rotation as Director at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

A brief resume and other detail of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting as required under Clause 49(IV)(G) of the Listing Agreement are provided in the Notice of the Annual General Meeting and forms part of this Annual Report.

During the year under review, Mukund Chitale resigned from the Board of the Company. Your Directors wishes to place on record their appreciation of the valuable contribution made by him during his tenure.

12. AUDITORS

The Statutory Auditors of the Company, B S R and Co, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limits of Section 224 (1-B) of the Companies Act, 1956.

Accordingly a resolution is being submitted to the Members for the re-appointment of B S R and Co., and to allow the Board of Directors to fix their remuneration for the current year.

13. 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.

14. 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.

15. AUDITORS' REPORT

The observations of the Statutory Auditors in their report, read with the relevant notes to the financial statement in Note 28 are self-explanatory.

16. 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.

Place: Pune

Date: 21 January 2014

On behalf of the Board of Directors

Pradeep Mallick

Chairman

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 2013	31 December 2012
1. Electricity		
(a) Purchased		
Units	24,32,544	26,54,878
Total Amount (Rs. Lacs)	167.39	164.69
Rate / Unit (Rs.)	6.88	6.20
(b) Own Generation		
i) Through Diesel Generator		
Units	2,29,207	3,77,164
Units per litre of Diesel Oil	3.80	3.61
Cost / Unit (Rs.)	15.98	12.32
ii) Through Steam Turbine / Generator		
Units	NOT APPLICABLE	NOT APPLICABLE
Units per litre of Fuel Oil / Gas		
Cost / Unit (Rs.)		
2. Coal		
Quantity (Tonnes)	NOT APPLICABLE	NOT APPLICABLE
Total Cost		
Average Rate		
3. Furnace Oil		
Quantity (KL)	NOT APPLICABLE	NOT APPLICABLE
Total Amount (Rs. Lacs)		
Average Rate (Rs. / KL)		
4. Others/Internal Generation		
LPG		
Quantity (Kgs)	3,99,462	4,41,640
Total Cost (Rs. Lacs)	273.31	275.95
Rate/Unit (Rs./Kg)	68.42	62.48

(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 customers' quality and productivity levels whilst contributing to an overall improvement in environmental conditions.
4. Expenditure on R & D		
(a) Capital	:	Rs. 0.76 Lacs (previous year Rs. 9.74 Lacs)
(b) Revenue	:	Rs. 88.10 Lacs (previous year Rs. 67.13 Lacs)
(c) Total	:	Rs. 88.86 Lacs (previous year Rs. 76.87 Lacs)
(d) Total R & D expenditure as a percentage of total turnover	:	0.39% (previous year 0.28%)

Technology Absorption, Adaptation and Innovation

1. Efforts made towards technology	:	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 this 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	1,567.47	1,440.43
ii. Foreign Exchange Outgo	2,427.19	2,455.07

Management Discussion and Analysis

Founded by Eric Weiss in 1932, Foseco takes its name simply from the very nature of its existence - **FO**undry **S**ervice **C**ompany. With more than 80 years as an integral part of the metal industry, the Company has been acknowledged as a world leader in the supply of consumable products for the foundry industry with facilities in Germany, USA, UK, Brazil, China, India, South Korea and Japan. In April 2008, Cookson Group plc. a company with presence in metals, electronics and ceramics, acquired Foseco. Subsequently, in December 2012, Cookson was demerged into Vesuvius plc. and Alent plc. both companies listed on the London Stock Exchange. Vesuvius plc. is a company consisting of a community of experts located around the world, delivering solutions to its customers through its three business units of Steel Flow Control, Foundry Technologies and Advanced Refractories. On demerger, Foseco India Limited became a part of the Foundry Technologies Division of Vesuvius plc.

Foundries form the heart of any industrial economy that produce metal castings (from ships propellers to brake discs) that are used in all types of engineered products from diverse sectors such as automotive, construction, heavy machinery, general engineering and mining. The processes of manufacture of castings in each foundry have unique characteristics. Customers thus need specific customised solutions. Foseco offers a host of unique solutions to its customers in improving their processes or solving problems in the areas relating to melting, methoding, mould and core. The solutions offered result in castings being produced with consistent quality, improved surface, internal soundness, integrity and dimensional tolerance. The solutions from Foseco not only help in producing high integrity quality castings, but also enable the customer to conserve natural resources. For instance, pouring more number of castings per mould thereby reducing the number of melt heats resulting in energy saving and also facilitating re-use of sand.

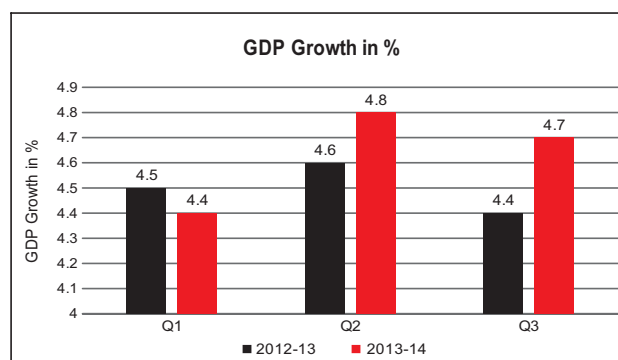
Foseco focusses on adding economic value to its customers through improved process capability, casting yield, resource utilisation and efficiency and development of new business opportunities. Its business model is based on delivering solutions in a "partnership" mode with customers and is founded on its four core areas of strength:

- **Product Technology:** Global proprietary consumable product technology. Foseco supplies a wide range of consumable ceramic products to the Foundry industry that help its customers make better castings more efficiently.
- **Application Expertise:** In-depth knowledge of customer's operations and the application of products across a wide range of foundry processes.
- **Process Knowledge:** Insight into customer's processes for manufacturing of casting from melting to post cast treatment.
- **Customer Relationships:** Conviction that customer partnership, where expertise and knowledge are shared, result in the greatest performance improvement for its customers.

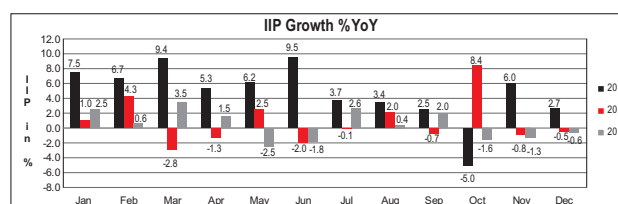
Foseco India Limited is acknowledged as the only company in the country that offers the widest range of customised solutions to the foundry industry.

Macro Economic Factors

The year 2013 was a difficult one for the manufacturing sector in India. The drop in GDP rate of growth to below 5% was largely on account of very weak performance of the manufacturing industry. The most recent estimates indicate that this sector will contract by 0.2% in 2013-14 versus growth of 1.1% during 2012-13.

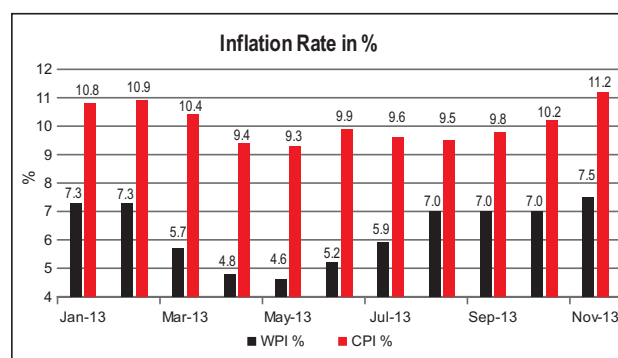


Source : Times of India. Indian economy remained fragile throughout the year with GDP remaining at sub 5%.



Source : CSO and dbie.rbi.org.in. The Index of Industrial Production (IIP) which represents the activity in the Indian industry also reflects this subdued activity level. IIP was negative in four out of eleven months and remained range bound below 3.5% growth.

During this period of slowdown in the GDP growth rate, other factors also turned averse. The inflation as recorded by the Consumer Price Index and Wholesale Price Index remained high. There was a steep increase in food inflation on account of supply chain bottlenecks in distribution. This scenario led the Reserve Bank of India to raise the repo rates twice during the year by 25 bps each causing a reduction in liquidity in the market.

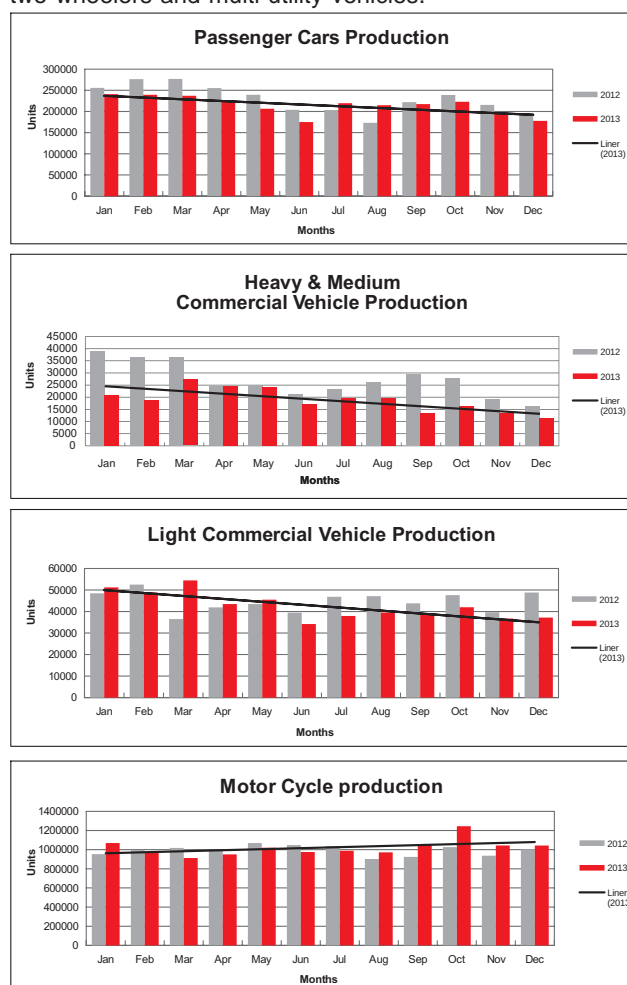


Source : dbie.rbi.org.in.

The Rupee exchange rate turned volatile against all major currencies touching a peak of Rs.68.85 to the US Dollar before returning to Rs.62.24 by the end of the year still way above the mid-year level of Rs. 55 to the US Dollar.

Automotive Industry

The above macro economic conditions had a severe adverse impact on the automobile industry which recorded a decline in production levels, the only exceptions being two-wheelers and multi-utility vehicles.



Source : Society of Indian Automobile Manufacturers

Foundry Industry

The foundry industry turnover as estimated by the Institute of Indian Foundrymen is around USD 15 billion with exports of USD 2 billion approximately. Indian Foundry industry manufactures metal cast components for applications in Auto, Tractors, Railways, Machine tools, Defence, Earth Moving, Textiles, Cement, Electricals, Power machinery, Pumps, Valves and special applications. The castings produced are ferrous, non-ferrous, aluminium alloy, graded cast iron, ductile iron, steel etc.

The macro and industrial economic factors affected the foundry industry performance during the year. Consequently, this sector faced challenges of lower demand in castings, increase in input and interest costs and liquidity crunch

affecting projects and investments. The growth in most of the segments of this energy dependent industry was further strained by disruptions in power supply in its main clusters and continuing endemic problem of skilled manpower shortage. Foseco India Limited faced these challenges in the industry by constantly driving its successful strategy of Solutions Partnering and re-aligning its focus on emerging customer needs.

In the coming period, the foundry industry is expected to regain its growth trajectory. Foseco India Limited, with its team of highly skilled workforce, portfolio of over 400 products and robust strategy will strive to deliver high levels of performance for its stakeholders. It will remain at the forefront of bringing innovative solutions to its customers. Our team is constantly creating new opportunities and setting new benchmarks in customer offerings.

Operations

Foseco India Limited manufactures its products in India through two manufacturing plants at Sanaswadi, Pune and Puducherry. It also imports products from its group manufacturing locations in other parts of the world. The Company's more than 400 products range from resins, coatings, feeding systems, ferrous and non-ferrous metal treatment materials and greensand additives.

With a pivotal strength of 225 employees, Foseco India Limited drives its factories with best-in-class manufacturing practices and a cellular structure. Each cell team has an end-to-end responsibility for the entire manufacturing process - from purchase of raw materials, manufacturing with safe practices and quality assurance to final distribution. This workflow 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 and to reduce non-value adding processes and activities making the system more flexible and efficient. In recent times we have adopted the tenets of Lean Manufacturing and several initiatives have been carried out thereof e.g., training to all employees on Lean tools, loss intelligence, process standardisation, 5S and visual management. During 2013, the shop floor Cell Assistants completed over 600 Kaizens delivering improvements in efficiency and safety standards.

Information Technology

The Company believes in using Information Technology to not only improve its efficiency and process speed but also enable better customer service and engagement. The operations of the Company have been handled with the help of J D Edwards ERP software. The software with its three modules—Financials, Manufacturing and Distribution, has helped the Company enhance service levels and improve productivity and internal processes. This ERP is in the process of being replaced by SAP B1 in the year 2014. The Company also has the distinction of having a very sophisticated JAVA based, Customer Relationship Management (CRM) software which supports the Customer Service Cell to respond to customer queries in a timely and informed manner. The capability of CRM is further enhanced

with COGNOS business intelligence software, which aids in swift and informed managerial decision-making.

Taking into account the well equipped with IT security processes. A highly fortified virtual private network (VPN) system controls the access to the internal servers. To maintain high levels of security standards, the Company undertakes a periodic IT audit. 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 Company has strongly embedded core values and all employees are encouraged to use these values as the basis upon which decisions are made and policies and practices defined.

The success of the Company and good track record are largely attributable to the remarkable commitment, dedication and hard work of our employees. Performance management systems based on the Balanced Scorecard framework have been put in place in 2010 to ensure everyone is aligned and focused on key objectives and key performance indicators critical for the Company's performance. Pay and performance have been strongly linked together.

The Company, to maintain its leading edge in the market needs to ensure it has robust systems of developing its people. The Company's business strategy of Solutions Partnering implies that the customer facing and support teams are continuously at the cutting edge of foundry technology knowledge and other commercial skills. In this regard, Foseco India Limited is proud to have established a **CENTRE OF EXCELLENCE (COE) for Competency Development**. The facility is equipped with state-of-art infrastructure, library, audio-visual equipment, break-out rooms, castings displays and portal/computer stations. Headed by a Centre Manager, this Centre will map, assess, develop and review competency of its key staff. It will provide an environment for learning through interaction with experts and access to case studies.

Health, Safety and Environment (HSE)

Foseco strives to maintain 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.

The Company 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 the current year, standardised work instructions (SWIs) were developed for all routine activities and group safety standards on ergonomics, machine safety, and lock-tag-try were implemented. Foseco India Limited proactively started an initiative to reduce its carbon footprint and successfully

achieved 5% lower emissions in 2013 through use of solar power for corporate office lighting. Changeover to LED lighting in office and plant lead to reduction in energy and fuel consumption. 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. It has the aspiration and plans in place to be one of the best industrial enterprises in HSE standards.

Financial Performance

The efforts of the employees and support from suppliers and continued patronage of our esteemed customers helped Foseco India Limited record a reasonable performance in a highly adverse business environment. Table 1 gives the abridged Profit & Loss Account of Foseco.

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

	2013	2012
Net Sales (including other income)	22945	24841
Operating Expenses	19693	21104
EBDIT	3252	3737
Depreciation	512	465
PBIT	2740	3272
Finance Charges	26	46
PBT	2714	3226
Tax	932	1044
PAT	1782	2182

The overall performance of the Company dropped versus the previous year due to the weak economic conditions. The net sales weakened due to reduction in demand from the customers. The operating margin was under tremendous pressure due to sky rocketing of all input and conversion costs. In spite of this challenge, PAT of 7.8% on sales was achieved during the year under review and the Company generated Rs.2169 Lacs funds from operating activities against Rs.2003 Lacs in the previous year.

Table 2: Key Financial Ratios

	2013	2012
PBIT/Net Sales	11.94%	13.17%
PAT/Net Sales	7.77%	8.78%
ROCE	28.19%	33.01%
RONW	20.03%	24.38%
Debt/Equity	0.09	0.11

Future Outlook

Whilst the current market conditions are not favourable, Foseco, with its unique strategy of solutions partnering, highly skilled workforce and a portfolio of 400 products is fully geared to tap new opportunities in the marketplace and develop innovative solutions for its customers. The Company will continue to pursue growth based on its philosophy of generating profits through creation of the "Greatest Value" for its customers. The Company continues its journey to deliver outstanding performance and several initiatives have been put in place. The unfolding economic and industrial scenario in India and the world, however, may influence its performance in the coming period.

Internal Control Systems and Their Adequacy

The Company maintains adequate internal control system, which provides, among other things, reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets. In addition, the Company has a well structured system of risk management and risk reporting.

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, exchange rate fluctuation, interest and other costs.

Grishma Khandwala
Company Secretary

7/4, Indian Mercantile Mansions,
Madam Cama Road, Mumbai - 400 039.

CERTIFICATE

I have examined the compliance of conditions of Corporate Governance by Foseco India Limited for the year ended 31st December, 2013 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedure and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the 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, 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.

Pune
21st January, 2014

GRISHMA KHANDWALA
Company Secretary

Corporate Governance Report

1. FOSECO'S PHILOSOPHY

Foseco strives to adopt the highest standards of excellence in Corporate Governance, reflected in the following key areas of the Company's approach to business and its stakeholders:

I. 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.

II. 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.

III. 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.

IV. Foseco Values

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

- Creativity
- Cooperation
- Reliability
- Integrity
- Embracing Diversity

V. Integrity of Financial Reporting

The Company ensures that adequate controls are in place to provide accurate and timely financial statements. The internal audit process is supervised by the Audit Committee of the Board and is undertaken by an external firm of Chartered Accountants, accountable directly to the Audit Committee.

VI. Disclosure of Information to Investors

Foseco ensures the timely disclosure of all material information in compliance with applicable laws.

VII. Insider Dealing Policy

The Company's shares are listed on the BSE Limited and the National Stock Exchange of India Limited in accordance with the relevant Listing Agreements. With the intention of preventing insider dealing 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 (Prevention of Insider Trading) Regulations, 1992, as amended. As a part of the policy, the Company's specified Executives are advised of the closed periods in respect of dealing in the securities of the Company prior to the announcement of the quarterly, half-yearly and annual results of the Company and other price sensitive information.

VIII. Investor Services

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

IX. Performance Management

Foseco places considerable importance on the management of performance, 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.

2. BOARD OF DIRECTORS

I. Composition and Category of Directors

The Board comprises of 6 Directors - 1 Executive Director and 5 Non-Executive Directors, of whom 2 are Independent Directors. Three of the Non-Executive Directors are nominated by Foseco Overseas Limited, London, United Kingdom, as provided in the Articles of Association of the Company. The Chairman of the Board is a Non-Executive Independent Director.

Composition of the Board of Directors

Category	No. of Directors	Percentage of Total Number of Directors
Promoter - Non-Executive Director*	3	50.00%
Whole-time Director	1	16.67%
Non-Executive Independent Directors*	2	33.33%
Total	6	100%

* Chris O' Shea was appointed as a Non-Executive Director and nominee of Foseco Overseas Limited on 21st January, 2013.

* Francois Wanecq resigned from the Board on 21st January, 2013.

* Ajit Shah was appointed as an Additional Director on 17th October, 2013.

* Mukund Chitale resigned from the Board on 17th October, 2013.

The background of each Director is summarised below:

(a) DAVID HUGHES, Non-Executive Director

David Hughes is a Non-Executive Foseco permanent non-retiring Director on the Board of the Company since 1st November, 1999. He holds an M.A. (Natural Sciences) from Cambridge University, U.K. and the Certified Diploma in Accounting & Finance from the U.K. Association of Chartered Certified Accountants. David Hughes joined the Foseco group in 1981 working with Foseco International Ltd., U.K. in product development and then in 1983 was transferred to Foseco Inc. U.S.A., as a Product Manager. In 1985 he moved to Foseco Singapore Pte. Ltd., as Technical Sales Manager and after 3 years relocated to Foseco Philippines Inc., as President of the Company. In 1992 David Hughes became Chief Executive of Foseco ASEAN based in Thailand. In 1996 he returned to U.K. as Chemical Controller with Foseco's parent Company, Burmah Castrol Chemicals Ltd. and then in 1997 returned to the Foseco Group in a head-office role working on acquisitions and disposals. In 1999, he took over the role of Managing Director of Foseco India Limited, moving on to the position of Regional Director Asia Pacific in 2006. Currently he is the President of Foundry Division.

David Hughes does not hold Directorship in any other public Company in India except Foseco India Limited. David Hughes is a Member the Shareholders' and Investors' Grievance Committee, the Nomination Committee and the Remuneration Committee of the Board of the Company.

He does not hold any shares in the Company.

(b) SANJAY MATHUR, Managing Director

Sanjay Mathur is Managing Director of the Company since 1st April, 2007. He was re-appointed as Managing Director for a period of three years from 1st 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 (Dip FM) 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 of the Shareholders' and Investors' Grievance Committee of the Board of the Company. Although he is not a member of the Audit

Committee, he attends all the Meeting as he is a permanent invitee to these Meetings

He does not hold any shares in the Company.

(c) PRADEEP MALLICK, Non-Executive Chairman and Independent Director

Pradeep Mallick is a Non-Executive Independent Director on the Board of Foseco India Limited since 21st October, 2011 and Non-Executive Chairman from 20th 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 Shareholders' and Investors' Grievance Committee and the Remuneration Committee of the Board of the Company and also a Member of the Board's Audit Committee and the Nomination Committee.

He does not hold any shares in the Company.

(d) CHRISTOPHER NAIL, Non-Executive Director

Christopher Nail is a Non-Executive Foseco Retiring Director of the Company since 20th January 2012. He graduated in Chemistry from The University of Bath in 1975 with a BSc. From 1975 to 1977, Christopher Nail worked with Catalin Limited, a resin manufacturer based in London, as research chemist. In 1977 he worked with Foseco International Limited in their resin binder R & D department in Nechells, Birmingham. In 1980 Christopher Nail was transferred to Foseco Pty. Limited, in Padstow, NSW, Australia as Product Manager, Binders and Coatings. In 1984 he was transferred to Foseco (FS) Limited at Tamworth, U.K. as Product Manager, Binders and Coatings. In 1988 Nail returned to Australia and progressively rose from Product Manager to Chief Executive Officer in 1998. In 2008, he relocated to Kobe, Japan to take on the position of President, Foseco Japan Limited. The position was soon to include Korea as Area Director North Asia. Christopher Nail was the initial Chairman of BTSG (Binder Technology Steering Group) and has chaired global task forces from time to time. Christopher Nail is a member of the Australian Foundry

Institute and a Past President of the Institute of Refractory Engineers, Australian Branch.

Christopher Nail does not hold Directorship in any other public Company in India except Foseco India Limited. Christopher Nail is a Member of the Shareholders' and Investors' Grievance Committee and the Remuneration Committee of the Board.

He does not hold any shares in the Company.

(e) CHRISTOPHER O' SHEA, Non-Executive Director

Christopher O'Shea is a Non-Executive Foseco permanent non-retiring Director on the Board of the Company since 21st January, 2013. Chris is a British National and is the Chief Financial Officer of Vesuvius plc since 2012. Prior to joining Vesuvius, Chris held a number of senior finance roles at BG Group, one of the largest providers of foreign direct investment in India, latterly serving as Chief Financial Officer for the group's businesses in Africa, the Middle East and Asia. In his last role, he was responsible for businesses in India including Mahanagar Gas, Gujarat Gas, offshore oil and gas exploration and production, and liquefied natural gas importation. From 1998 to 2005, Chris worked in the UK, the US and Nigeria for Royal Dutch Shell in a variety of roles, including Chief Financial Officer for Shell's offshore exploration and production business in Nigeria. Chris is a Chartered Accountant with an undergraduate degree from The University of Glasgow in Scotland and an MBA from Duke University in the USA. Chris has also worked for Ernst & Young.

Christopher O' Shea does not hold Directorship in any other public Company in India except Foseco India Limited. He is a member of the Audit Committee, the Shareholders' and Investors' Grievance Committee and the Remuneration Committee of the Board of the Company.

He does not hold any shares in the Company.

(f) AJIT SHAH, Non-Executive Independent Director

Ajit Shah joined the Board of Foseco India Limited as an Additional Director on 17th October, 2013. His term

of office will conclude on the date of the ensuing Annual General Meeting on 22nd April, 2014. The Company has received a notice from a member proposing his candidature under Section 257 of the Companies Act 1956, for the position of a Director who will be liable to retirement by rotation.

Ajit Shah aged 67 years 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 a Director and also as the Chairman of the Audit Committee of the Board of the Company.

He is the Chairman of the Audit Committee and the Nomination Committee of the Board of Directors of the Company and also a Member of the Shareholders' and Investors' Grievance Committee and the Remuneration Committee.

He does not hold any shares in the Company.

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

II. Board and Committee Memberships

As mandated by Clause 49, none of the Directors on the Board is a Member of more than ten (10) Committees and none is 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

Name of Director	Category	Number of Board Meetings attended during the year 2013	Attendance at the last AGM	Number of Directorships in other Public Companies as on 31-12-2013	Number of Committee Positions held in other Public Companies as on 31-12-2013	Number of Committee Chairmanship held in other Public Companies as on 31-12-2013
David Hughes	Non Independent, Non-Executive	4	Yes	--	--	--
Sanjay Mathur	Managing Director	4	Yes	--	--	--
Pradeep Mallick	Independent, Non-Executive	4	Yes	4	4	--
Christopher Nail	Non Independent, Non-Executive	4	Yes	--	--	--
Chris O' Shea ¹	Non Independent, Non-Executive	1	Yes	--	--	--
Ajit Shah ²	Independent, Non-Executive	0	--	1	1	--
Mukund M Chitale ^{3,4}	Independent, Non-Executive	4	Yes	9	10	5
Francois Wanecq ^{4,5}	Non Independent, Non-Executive	0	--	1	--	--

¹ Chris O' Shea was appointed as a Non-Executive Director and nominee of Foseco Overseas Limited on 21st January, 2013. ² Ajit Shah was appointed as an Additional Director on 17th October, 2013. ³ Mukund Chitale resigned from the Board on 17th October, 2013. ⁴ 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. ⁵ Francois Wanecq resigned from the Board on 21st January, 2013.

of Directorships, Committee Memberships and Chairmanships in Indian companies as on 31st December 2013. Directorships exclude Alternate Directorships, Directorship of Private Limited Companies and Foreign Companies. Committee Membership include only the Audit Committee and the Shareholders' and Investors' Grievance Committee.

A total of four Board meetings were held during the year 2013 on the following dates: **21st January, 22nd April, 14th August and 17th October.**

III. Code of Conduct & Ethics

The Company's Code of Conduct & Ethics, forming part of this Annual Report, 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 2013 on behalf of themselves and to the extent that they are aware, on behalf of all employees reporting to them.

IV. Directors Seeking Reappointment

The required information regarding the details of Director(s) who are seeking appointment or re-appointment is set out in the notes to the AGM notice.

V. Disclosure of Directors' Interests in Transactions with the Company

None of the Non-Executive Directors had any pecuniary relationship or transaction(s) with the Company pursuant to the provisions of Clause 49 VII (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 Section 301 of the Companies Act, 1956.

3. AUDIT COMMITTEE

I. Terms of Reference

The Audit Committee is mandated with the same terms of reference specified in Clause 49 II of the Listing Agreement with the Stock Exchanges as well as those stipulated by the SEBI guidelines. The current terms of reference also fully conform to the requirements of Section 292A of the Companies Act, 1956. 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.

II. Composition

The Audit Committee comprises of 3 Directors, two of whom are Non-Executive Independent Directors - Ajit Shah and Pradeep Mallick and one is Non-Executive Non-Independent Director - Chris O' Shea.

The Chairman Ajit Shah, Chartered Accountant, has considerable financial expertise and experience. The Chief Financial Officer, the Managing Director, the Internal Auditor and the Statutory Auditors are permanent invitees to the Committee. The Controller of Accounts and Company Secretary acts as a Secretary to the Committee.

III. Audit Committee Meetings and Attendance of Directors

A total of four Audit Committee Meetings were held during the year 2013 on **21st January, 22nd April, 14th August and 17th October.**

Name of Director	Number of meetings held during the year	Number of meetings Attended
Mukund M Chitale ²	4	4
David Hughes ¹	4	1
Pradeep Mallick	4	4
Chris O' Shea ¹	4	2
Ajit Shah ²	4	--

¹ David Hughes was replaced by Chris O' Shea as a Member of the Audit Committee on the conclusion of the Board Meeting held on 21st January, 2013.

² Ajit Shah replaced Mukund Chitale as a Audit Committee Chairman on the conclusion of the Board Meeting held on 17th October, 2013. No Meeting of the Audit Committee was held after this date till 31st December 2013.

4. REMUNERATION COMMITTEE

I. Terms of Reference

The Remuneration Committee reviews and recommends the remuneration and performance-linked bonuses of Executive Directors, the management team and the payment of commission to Non-Executive Directors within the limits approved by the shareholders. Such recommendations are based on the overall performance and financial results of the Company during the financial year and on an assessment of the personal contribution and performance of the individuals.

II. Composition

The Committee comprises five Directors - Pradeep Mallick as Chairman and Ajit Shah (Non-Executive Independent Directors), David Hughes, Christopher Nail and Chris O' Shea (Non-Executive Non-Independent Directors).

III. Remuneration Committee Meetings and Attendance of Directors

The Committee met twice during the year on **21st January and 22nd April**.

Name of Director	Number of meetings held during the year	Number of meetings Attended
Mukund M Chitale ¹	2	2
Pradeep Mallick	2	2
David Hughes	2	2
Chris O' Shea ²	2	1
Christopher Nail	2	2
Ajit Shah ¹	2	-
Francois Wanecq ²	2	-

¹ Ajit Shah was appointed Remuneration Committee Member on the conclusion of the Board Meeting held on 17th October, 2013 replacing Mukund M Chitale. No Meeting of the Remuneration Committee was held after this date till 31st December 2013.

² Chris O' Shea was appointed Remuneration Committee Member on the conclusion of the Board Meeting held on 21st January, 2013 replacing Francois Wanecq.

IV. 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 31st December 2013, the Company has paid the following remuneration to the Managing Director:

Salary and bonus	Rs. 132.13 lacs
Total perquisites	Rs. 21.84 lacs
Total	Rs. 153.97 lacs

The Managing Director has a three-year contract with the Company from 1st April 2013 to 31st 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 for 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 Section 198(4) of the Companies Act, 1956. 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 31st December, 2013, Mukund Chitale and Ajit Shah are eligible for commission proportionately based on the period of their Directorship with the Company.

Apart from the above, no other remuneration is paid to the Non-Executive Independent Directors. The amount is summarized below:

Director	Sitting Fees (Rs.)	Commission Payable (Rs.)
M M Chitale	1,20,000	5,25,000
Pradeep Mallick	1,20,000	7,70,000
Ajit Shah	5,000	1,75,000

5. SHAREHOLDERS' AND INVESTORS' GRIEVANCE COMMITTEE

I. Terms of Reference

The Committee focuses primarily on strengthening investor relations and ensuring quick resolution of any shareholder or investor grievances.

II. Composition

The Committee comprises Pradeep Mallick, a Non-Executive Independent Director as Chairman, Ajit Shah, David Hughes, Chris O' Shea, Christopher Nail and Sanjay Mathur. The Controller of Accounts and Company Secretary acts as a Secretary to the Committee.

III. Shareholders' and Investors' Grievance Committee Meetings and Attendance of Directors

A total of five Committee meetings were held during the year 2013 on the following dates: **21st January, 22nd April, 14th August, 17th October and 6th December**.

Name of Director	Number of meetings held during the year	Number of meetings attended
Pradeep Mallick	5	4
Mukund M Chitale ²	5	4
David Hughes	5	4
Chris O' Shea ¹	5	2
Christopher Nail	5	4
Sanjay Mathur	5	5
Ajit Shah ²	5	1
Francois Wanecq ¹	5	-

¹ Chris O' Shea was appointed a Member of the Committee on the conclusion of the Board Meeting held on 21st January, 2013 in place of Francois Wanecq.

² Ajit Shah was appointed a Member of the Committee on the conclusion of the Board Meeting held on 17th October, 2013 in place of Mukund M Chitale. Only one Meeting of the Committee was held after his appointment till 31st December, 2013.

IV. Compliance Officer

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

V. Analysis of Complaints

Nature of Complaints	Opening Balance	Complaint Received During the Year	Received From		Closing Balance
			Share Transfer Agents or Direct	SEBI / BSE / NSE	
Non-receipt of dividend warrant	Nil	02	01	01	Nil
Non-receipt of Share Certificate	Nil	Nil	Nil	Nil	Nil
Non-furnishing of annual report & demat information	Nil	11	11	Nil	Nil
Total	Nil	13	12	01	Nil

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

6. NOMINATION COMMITTEE

I. Terms of Reference

The Nomination Committee is mandated to determine and propose for Board approval, the criteria for selection of Executive and Non-Executive Directors. When the need arises to appoint a Director, the Committee plays a proactive role in identifying suitable candidates for presentation to the Board. The Committee also proposes for Board approval the Members and Chairpersons of Board Committees.

II. Composition

The Nomination Committee comprises Ajit Shah, a Non-Executive Independent Director as Chairman, Pradeep Mallick and David Hughes. The Controller of Accounts and Company Secretary acts as a Secretary to the Committee.

III. Attendance

The Committee met twice during the year on 21st January, 2013 and 17th October, 2013. It was attended by all the three members, viz., Mukund Chitale, Pradeep Mallick and David Hughes.

Ajit Shah was appointed a Member Chairman of the Committee on the conclusion of the Board Meeting held on 17th October, 2013. No Meeting of the Nomination Committee was held after the date of Ajit Shah's appointment till 31st December, 2013.

7. GENERAL BODY MEETINGS

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

Financial Year Ended	Date of the AGM	Time	Location	Special Resolutions Passed
31st December, 2012	22nd April, 2013	11.00 am	At the Company's Registered Office	NIL
31st December, 2011	25th April, 2012	10.00 am	at Gat Nos. 922 & 923, Sanaswadi,	NIL
31st December, 2010	21st April, 2011	12.00 noon	Taluka Shirur, Pune - 412 208	NIL

II. Postal Ballot

During the financial year ended 31st December, 2013, no resolution was put through by postal ballot.

III. Extra-Ordinary General Meeting

No Extra-Ordinary General Meeting of the Shareholders was held during the financial year ended 31st December, 2013.

8. DISCLOSURES

I. 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. 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.

II. Compliance with Regulations

During the year, there was an instance of your Company receiving an Interim Order from SEBI with respect to the Minimum Public Shareholding (MPS) requirement. The Company was found short of MPS requirement by 0.000012% of its equity capital (i.e., one share).

The MPS requirement was complied with by Foseco (UK) Limited, one of the Promoter Group Company, by selling 1000 shares through the "Offer

For Sale" route. Later, SEBI passed an order revoking the directions issued earlier against the Company, its Directors, Promoters and Promoter Group Companies.

III. Accounting Standards

The Company has followed the Accounting Standards laid down by the Institute of Chartered Accountants of India.

IV. Secretarial Standards

Though not a mandatory requirement, the Company has adopted Secretarial Standards SS 1-10 issued by the Institute of Company Secretaries of India.

V. Risk Management

The Audit Committee regularly reviews the risk management strategy of the Company to ensure the effectiveness of risk management policies and procedures.

VI. CEO / CFO Certificate

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

9. 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 and Loksatta (Marathi). The results are posted on the Company's website 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.

10. GENERAL SHAREHOLDER INFORMATION

I. 57th Annual General Meeting

The 57th Annual General meeting will be held on Tuesday, 22nd April, 2014 at the Registered Office of the Company at 1200 Hrs. (IST).

II. Date of Book Closure

The book closure date will be from 12th April, 2014 to 22nd April, 2014 (both days inclusive) for the purpose of entitlement to the final dividend.

III. Dividend Payment Date

Final Dividend will be paid to the shareholders on or before 21st May, 2014 (subject to the approval of the shareholders at the ensuing AGM).

IV. Financial Calendar (Tentative)

Financial Reporting 2014	From	To	Probable Date(s)
1st Quarter	January	March	22 nd April 2014
2nd Quarter	April	June	21 th July 2014
3rd Quarter	July	September	27 th October 2014
4th Quarter	October	December	January 2015
Annual General Meeting for the financial year ending 31 st December, 2014			April 2015

V. Stock Exchange Listing

Stock Exchange	Stock Code	Listing Fees Paid Upto	ISIN
Bombay Stock Exchange	500150	31.03.2014	INE519A01011
National Stock Exchange	FOSECOIND	31.03.2014	INE519A01011

VI. Share Price

The Company's high and low prices recorded on the Bombay Stock Exchange and the National Stock Exchange during the year 2012 were:

Month	B S E			N S E		
	Share Price		Sensex	Share Price		Nifty
	High (Rs.)	Low (Rs.)	(Close)	High (Rs.)	Low (Rs.)	(close)
Jan.13	600.00	468.40	19894.98	589.00	468.00	6034.75
Feb.13	524.00	441.95	18861.54	514.95	441.20	5693.05
Mar.13	484.90	417.90	18835.77	485.00	417.55	5682.55
Apr.13	477.05	433.00	19504.18	500.00	434.00	5930.20
May.13	514.85	445.05	19760.30	523.95	446.55	5985.95
Jun.13	503.95	450.05	19395.81	504.95	450.00	5842.20
Jul.13	479.00	422.00	19345.70	468.85	421.55	5742.00
Aug.13	463.90	415.00	18619.72	462.85	420.00	5471.80
Sep.13	489.00	432.00	19379.77	475.05	428.00	5735.30
Oct.13	518.95	459.05	21164.52	537.70	461.05	6299.15
Nov.13	523.95	409.90	20791.93	524.00	475.10	6176.10
Dec.13	539.95	494.90	21170.68	540.00	493.00	6304.00

VII. Registrar & Transfer Agent

Agent	Address	Contacts	Meeting Frequency
Link Intime India Private Ltd.	Akshay Complex, block 202, 2nd Floor, off Dhole Patil Road, Near Ganesh Mandir, Pune 411 001.	Tel.: +91 (020) 26160084 Fax :+91 (020) 26163503 Email: pune@linkintime.co.in	Each Fortnight

VIII. 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 Shareholders' and Investors' Grievance Committee comprising the five Non-Executive Directors and the Managing Director.

The Board has authorised the Share Transfer Agents Link Intime India Private Ltd. to approve all routine transfers and transmissions of shares and these are effected within 15 days.

As on 31st December 2013 there were no valid requests pending for transfer of shares.

IX. Shareholding Distribution

The shareholding distribution at 31st December 2013 is tabulated below:

Shareholding	Number of Share-holders	% of Total share holders	Total Number of Shares	% of Total Shares
Up to 5,000	6196	99.71	713105	11.16
5,001 to 10,000	09	0.15	62551	0.98
10,001 to 20,000	03	0.05	35554	0.56
20,001 to 30,000	02	0.03	54579	0.85
30,001 to 1,00,000	00	0.00	0	0.00
1,00,001 and above	04	0.06	5520670	86.45
Total	6214	100.00	6386459	100.00

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	15434	0.24
Banks and FIs, Mutual Funds	1400	0.02
Private Corporate Bodies	118234	1.86
Indian Public	727717	11.39
Total	6386459	100.00

X. Dematerialisation of Shares and Liquidity

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

Approximately 99.97% of shares of the promoters group have been dematerialised. Shares of the Company are actively traded on the BSE Limited, Mumbai and the National Stock Exchange of India Limited.

XI. Outstanding GDRs / ADRs / Warrants / Convertible Instruments

The Company has not issued GDRs or ADRs. There are no outstanding warrants or any convertible instruments.

XII. 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.

XIII. Plant Locations

The Company has two manufacturing sites, with the Registered Office and Head Office being located at the Pune site.

Pune

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

Puducherry

Medium Scale Industrial Area,
PIPDIC Industrial Estate,
Mettupalayam
Puducherry 605 009

XIV. Address for Correspondence

For change of address and bank mandates:

- In cases of shares held in dematerialised form - Contact the Depository Participant.
- In cases of shares held in physical form - Contact the 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) 2616 0084, Fax: +91 (020) 2616 3503,

Email: pune@linkintime.co.in

For all matters relating to investor relations contact:

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

XV. Unclaimed Dividends

By virtue of Sections 205A and 205C of the Companies Act, 1956, 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
2006 - Final	26-Apr-2007	25-May-2014
2007 - 1st interim	26-Apr-2007	25-May-2014
2007 - 2nd interim	17-Jul-2007	16-Aug-2014
2007 - 3rd interim	22-Oct-2007	20-Nov-2014
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

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

XVI. 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.

XVII. 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 Annual Report which can be used by the Members for the said purpose.

11. ADOPTION OF NON-MANDATORY REQUIREMENTS

I. Maintenance of the Chairman's Office

The Company does not reimburse expenses incurred by the Non-Executive Chairman, if any, for maintenance of a Chairman's office.

II. Remuneration Committee

Details are given under the heading 'Remuneration Committee'.

III. Shareholder Rights

Details are given under the heading 'Means of Communication'.

IV. Audit Qualifications

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

V. Board Performance

The Board recognises the importance of reviewing and improving upon its performance and meets regularly to discuss the effectiveness of its functioning and to agree ways in which performance can be further improved.

VI. Training of Board Members

As the part of Board's review of its performance, the training needs of individual Directors is considered and action taken, wherever necessary.

VII. Tenure of Independent Directors

Company policy requires that Board members retire at the AGM following their 75th birthday.

VIII. Whistleblower Policy

In line with the best international governance practices, Foseco India Limited, has put in place a system through which employees and business associates may report unethical practices and infringements 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, the Managing Director, Chairman of the Board and the Compliance Officer.

The Whistleblower policy is enclosed in this Annual Report.

IX. Dividend Policy

Foseco's dividend policy is based on the belief that our shareholders should decide how best to invest their funds retained in the Company that is surplus to the medium term cash requirements of the business. Therefore, the Company's dividend policy is to return to the shareholders that cash, which in the opinion of the Board, is in excess to the medium term cash requirements. In determining the future cash requirements of the business, the Board includes the following in its review:

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

X. Lead Independent Director

The Chairman of the Company is Non-Executive Independent Director.

12. 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.

Corporate Social Responsibility Policy

Introduction

Foseco is committed to acting with integrity in its relationships with customers, employees, shareholders, suppliers, the local community and all business partners in order to maintain trust and confidence of all stakeholders. We must achieve consistently high standards of behaviour and care. In order to do this, our Code of Conduct & Ethics set out Foseco's philosophies and policies on the operation of its business and is critical for the continued growth of Foseco.

Customers

Foseco aims to provide products and services which improve our customer's processes and capability, process efficiency and environment practices. A close working relationship is required to enable us to identify our customer's needs and to respond quickly and effectively. In dealing with customers we must:

- Deliver high quality products and services which meet their needs;
- Provide high quality, reliable after sales service;
- Treat all customers fairly and with respect.

Shareholders

We seek to deliver long term sustainable growth in the total returns earned by our shareholders, through prudent and effective use of the Company's assets, both tangible and intangible. We will:

- Provide information on our policies, performance and activities to all shareholders on a timely and accurate basis;
- Aim for the best practices of corporate governance;
- Endeavour to treat all shareholders fairly and consistently.

Company Assets and Financial Integrity

We have the responsibility and legal duty to protect the Company's assets. We will:

- Comply with applicable laws, including accounting standards;
- Accurately record and report our data and results;
- Protect Foseco's assets by guarding against misuse.

Employees

Foseco's employees are the key to secure achievement of our objectives and strategies. Employees will be recruited, selected, developed and promoted on merit, irrespective of race, gender, sexual orientation, religion, age, disability or any other status protected by law or not related to the job performance. Relevant United Nations guidelines on human rights will be observed. We will:

- Provide employees with a fair and equitable remuneration based on the value of their contribution to the Company and overall Company's performance;
- Encourage and support employees to fully develop their capabilities;
- Keep their employees informed about issues which affect them and about the Company's performance, objectives and vision; refuse to tolerate discrimination and harassment;
- Develop people through trusting them with the freedom to act and to take responsibility.

In return for this commitment we require employees to:

- Comply with Company policies and all applicable laws;
- Conduct all business dealings at "arm's length", avoiding conflicts of interests;
- Refrain from offering or accepting any item of value to unlawfully influence our relationship with any government official, business associate or any competitor or anyone else;
- Safeguard confidential information and not use inside information for personal gain.

Integrated Management System Policy

We are committed to provide safe and secure working conditions to our employees and to those of other companies working on our premises and minimise our operations on the environment. We will ensure that all individuals take responsibility for achieving this. We will:

- Minimise, make safe or, where possible, prevent the release of substances which could adversely affect health or the environment;
- Reduce the waste by careful use of resources and by maximising recycling opportunities;
- Provide sufficient training and other resources to meet our Health, Safety and Environment commitments;
- Measure, appraise and report on our performance;
- Adopt a comprehensive Health, Safety and Environment policy.

Suppliers and Business Associates

We will work with our suppliers and other business partners on the basis of mutual respect and trust and encourage them to act in accordance with our values.

Competitors

We believe that our customers benefit from an unrestrained competitive environment. Therefore, we will compete aggressively but will do so fairly and in compliance with the law. We will not:

- Discuss or provide proprietary or confidential information with or to competitors;
- Acquire information relating to competitors by unethical means;
- Be involved in restrictive or collusive business practices;
- Engage in unfair competition or make false or mis-leading claims.

The Wider Community

Foseco aims to be a good corporate citizen in the communities where we do business. In order to meet this goal we will:

- Be aware of local concerns, customs and traditions;
- Be supportive of appropriate community initiatives;
- Observe national and state - laws and regulations.

Compliance

The Board of Foseco India Limited will monitor compliance with this statement of Corporate Social Responsibility. Employees at all levels must ensure that this policy is adhered to and are encouraged to discuss with management any genuine concerns about behaviour or decisions which will conflict with this policy.

Code of Conduct and Ethics

Introduction

Foseco is firmly committed to conducting its business and relationships with all stakeholders in a manner that is lawful, ethically responsible and at all times, in a way that reflects Foseco'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 or the Company Secretary. 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's 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 (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 safety, health 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 and Safety, Health and Environment policies to guide employees 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

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 the 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 working with all stakeholders including employees, customers, suppliers, shareholders and business associates in a manner that is lawful and ethically responsible and in a way that reflects the Company's values at all times. 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 disclose 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@maparikh.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 we operate 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 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, prioritize 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, Environmental and Health & Safety 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 Technologies Division's marketing and technology led business-to-business product sales are managed via regional management.

Foundry Technologies 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 Fosco 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 Technologies 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.

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
David Hughes	-	Director

In the normal course, no other individuals within the Company are authorised to communicate with 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, following 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 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 close 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 estimate 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 acknowledge 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 results and other announcements (including contemporaneous records of the Company's reasons for not making an announcement or for delaying an announcement) and relating to other 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 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 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.
- 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.

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.

Financial Statements 2013

Independent Auditors' Report

B S R and Co

Chartered Accountants

703, 7th Floor, Godrej Castlemaine,
Next to Ruby Hall Clinic,
Bund Garden Road,
Pune - 411 001, India

Tel. : +91(20) 3058 5764
+91(20) 3058 5765
Fax : +91(20) 3058 5775

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 2013, 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"), which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act, 2013 (which has superseded section 211(3C) of the Companies Act, 1956 w.e.f. 12 September 2013). This responsibility includes the design, implementation and maintenance of internal control 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. 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 2013;
- (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.

Independent Auditors' Report (continued)

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:

- 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act, 2013 (which has superseded section 211(3C) of the Companies Act, 1956 w.e.f. 12 September 2013)); and
- e) on the basis of written representations received from the Directors of the Company as on 31 December 2013, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31 December 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For B S R and Co

Chartered Accountants

Firm Registration No : 128510W

Vijay Mathur

Partner

Membership No: 046476

Pune

21 January 2014

Annexure to the Auditors' Report - 31 December 2013

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 2013, 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 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.
- (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 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 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.

Annexure to the Auditors' Report - 31 December 2013 (continued)

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 2013 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us there are no dues of Sales 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 Income Tax and Excise Duty:

Name of the Statute	Nature of the Dues	Amount (Rs in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	129.35	1998-99	High Court - Mumbai
Central Excise Act, 1944	Excise Duty	7.68	November 1994 to March 1995	CESTAT Chennai

- (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.
- (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.

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

Vijay Mathur
Partner
Membership No: 046476

Pune
21 January 2014

Balance Sheet as at 31st December 2013

	Note No.	2013 Rs. Lacs	2012 Rs. Lacs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	638.65	638.65
Reserves and Surplus	2	8,258.67	8,310.66
		8,897.32	8,949.31
Non Current Liabilities			
Long Term Borrowings	3	580.96	803.90
Other Long Term Liabilities	4	93.84	34.74
Long Term Provisions	5	149.14	154.69
		823.94	993.33
Current Liabilities			
Trade Payables	6	3,159.96	3,126.90
Other Current Liabilities	7	525.77	403.50
Short Term Provisions	8	1,266.43	620.92
		4,952.16	4,151.32
TOTAL		14,673.42	14,093.96
ASSETS			
Non Current Assets			
Fixed Assets	9		
- Tangible Assets		2,779.14	3,119.95
- Intangible Assets		2.86	7.63
Non Current Investments	10	8.18	8.18
Deferred Tax Assets (Net)	11	125.46	79.95
Long Term Loans and Advances	12	1,188.79	1,149.74
		4,104.43	4,365.45
Current Assets			
Inventories	13	1,158.26	921.97
Trade Receivables	14	6,430.45	6,662.50
Cash and Bank Balances	15	2,601.03	1,922.11
Short Term Loans and Advances	16	372.72	214.87
Other Current Assets	17	6.53	7.06
		10,568.99	9,728.51
TOTAL		14,673.42	14,093.96
Significant Accounting Policies	27		
Notes to Financial Statements	28		

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

As per our report of even date attached

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

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

Pradeep Mallick
Chairman

Sanjay Mathur
Managing Director

Ajit Shah
Director

Vijay Mathur
Partner
Membership No. 046476

Christopher Nail
Director

David Hughes
Director

Christopher O'Shea
Director

R Umesh
Chief Financial Officer

Mahendra Dutia
Controller of Accounts and Company Secretary

Place : Pune

Date : 21st January, 2014

Statement of Profit and Loss for the year ended 31st December 2013

	Note No.	2013 Rs. Lacs	2012 Rs. Lacs
Revenue from Operations	18		
Sale of Products		25,022.06	27,277.38
Less : Excise Duty		2,613.80	2,735.86
		<u>22,408.26</u>	<u>24,541.52</u>
Sale of Services		4.20	0.95
Other Operating Revenues		278.47	132.09
Total Revenue from Operations		<u>22,690.93</u>	<u>24,674.56</u>
Other Income	19	254.54	166.62
Total Revenue		<u>22,945.47</u>	<u>24,841.18</u>
Expenses:			
Cost of Materials Consumed	20	12,989.16	14,263.06
Purchases of Stock-in-Trade	21	506.81	722.13
Changes in Inventories of Finished Goods and Stock-in-Trade	22	(122.10)	(78.20)
Employee Benefits Expense	23	2,400.29	2,121.85
Finance Cost	24	26.45	46.45
Depreciation and Amortisation Expense	9	511.87	465.22
Other Expenses	25	3,919.46	4,074.80
Total Expenses		<u>20,231.94</u>	<u>21,615.31</u>
Profit Before Tax		<u>2,713.53</u>	<u>3,225.87</u>
Tax Expense:			
- Current Tax		977.00	1,076.00
- Deferred Tax		(45.52)	(31.63)
Total Tax Expense		<u>931.48</u>	<u>1,044.37</u>
Profit for the Year		<u>1,782.05</u>	<u>2,181.50</u>
Earnings Per Equity Share:			
- Basic and Diluted		27.90	34.16
Number of equity shares of Rs. 10/- each (refer Note 27 point 1.14)		6,386,459	6,386,459
Significant Accounting Policies	27		
Notes to Financial Statements	28		

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

As per our report of even date attached

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

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

Pradeep Mallick
Chairman

Sanjay Mathur
Managing Director

Ajit Shah
Director

Vijay Mathur
Partner
Membership No. 046476

Christopher Nail
Director

David Hughes
Director

Christopher O'Shea
Director

R Umesh
Chief Financial Officer

Mahendra Dutia
Controller of Accounts and Company Secretary

Place : Pune

Date : 21st January, 2014

Notes to Financial Statements

	2013 Rs. Lacs	2012 Rs. Lacs
Note 1 : Share Capital		
Authorised 7,500,000 (Previous Year 7,500,000) equity shares of Rs. 10 each	750.00	750.00
Issued, Subscribed and Fully Paid Up 6,386,459 (Previous Year 6,386,459) equity shares of Rs.10 each fully paid up	638.65	638.65
Total	638.65	638.65
A Details of shareholder's holding more than 5% of shares in the company	Value (Rupees) Number of Shares Percentage	Value (Rupees) Number of Shares Percentage
1 Promoter Group representing 4,788,845 (Previous Year 4,789,845) shares, cumulatively representing 74.98% (Previous Year 75%) of the total paid up capital are held by;		
a) Vesuvius Holdings Limited, United Kingdom - Ultimate Parent Company (earlier known as Cookson Group Plc., United Kingdom)	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%	37,028,190 3,702,819 57.98%
c) Foseco (UK) Limited, United Kingdom - Subsidiary of Ultimate Parent Company	5,405,600 540,560 8.46%	5,429,600 542,960 8.50%
2 Public Shareholding		
a) Karibu Limited, United Kingdom	7,332,260 733,226 11.48%	7,332,260 733,226 11.48%
B Terms / Rights attached to Equity Shares		
The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each 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)

	2013 Rs. Lacs	2012 Rs. Lacs
Note 2 : Reserves and Surplus		
Securities Premium Account		
Balance as per last Balance Sheet	1,912.60	1,912.60
General Reserve		
Balance as per last Balance Sheet	2,287.18	2,069.03
Add : Amount transferred from Statement of Profit and Loss	178.21	218.15
Closing Balance	2,465.39	2,287.18
Surplus in the Statement of Profit and Loss		
Balance brought forward from previous year	4,110.88	3,186.75
Profit for the year	1,782.05	2,181.50
Profit available for Appropriation	5,892.93	5,368.25
Less Appropriations:		
Interim Dividend	574.80	447.05
Tax on Interim Dividend	97.69	72.56
Proposed Final Dividend	989.90	447.05
Tax on Proposed Final Dividend	171.65	72.56
Transfer to General Reserve	178.21	218.15
	2,012.25	1,257.37
Net Surplus in the Statement of Profit and Loss	3,880.68	4,110.88
Total	8,258.67	8,310.66
* Includes an amount of Rs. 3.42 Lacs on account of the differential in tax rate for the year 2012.		
Note 3 : Long Term Borrowings		
Unsecured		
Deferred Payment Liability - Sales Tax Deferral Loan (refer note below)	580.96	803.90
Total	580.96	803.90
Note : The Sales Tax Deferral Loan of the Company is repayable in 5 equal annual instalments which commenced from April, 2011		
Note 4 : Other Long Term Liabilities		
Trade Payables	-	14.47
Others		
- Payable to Employees	77.09	3.52
- Earnest Money Received Against Leasehold Land (refer note 1 below)	16.75	16.75
Total	93.84	34.74

Note:

1 The amount of Rs. 16.75 Lacs has been received with respect to the agreement for leasehold land at Chinchwad.

Notes to Financial Statements (continued)

	2013 Rs. Lacs	2012 Rs. Lacs
Note 5 : Long Term Provisions		
Provision for Employee Benefits		
- Compensated Absences	110.25	119.87
- Gratuity	38.89	34.82
Total	149.14	154.69
Note 6 : Trade Payables		
Trade Payables		
- Others (refer note below for details of dues to Micro and Small Enterprises)	3,159.96	3,126.90
Total	3,159.96	3,126.90

Note

The Company has circulated letters to all its suppliers requesting them to confirm whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'). Certain suppliers have provided the necessary confirmation along with the evidence of being Micro, Small or Medium enterprises.

Dues payable to Micro and Small Enterprises as at	2013	2012
Principal Amount	5.26	60.41
Interest due on delayed payments	2.46	1.61
Note 7 : Other Current Liabilities		
Current Maturity of Long Term Borrowings		
Deferred Payment Liability - Sales Tax Deferral Loan	222.94	158.41
Dues to Directors	14.00	14.00
Other Liabilities		
- Payable to Employees	149.92	110.80
- Excise Duty Payable	25.71	-
- TDS Payable	42.76	45.20
- PF/ESI Payable	1.64	1.56
- Others	-	3.61
Deposits from Customers (Unsecured and payable on demand)	12.25	14.25
Advances from Customers	5.12	0.22
Unclaimed Dividends (refer note below)	51.43	55.45
Total	525.77	403.50

Note:

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

Notes to Financial Statements (continued)

	2013 Rs. Lacs	2012 Rs. Lacs
Note 8 : Short Term Provisions		
Proposed Final Dividend	989.90	447.05
Tax on Proposed Final Dividend	168.23	72.56
Provision of Employee Benefits		
- Compensated Absences	98.17	90.78
- Gratuity	10.13	10.53
Total	1,266.43	620.92

Note 9 : FIXED ASSETS

Category/ Group of Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
TANGIBLE ASSETS	Opening Balance 01 Jan. 2013	Additions	Deductions	Closing Balance 31 Dec. 2013	Opening Balance 01 Jan. 2013	Charge for the year	Deductions during the year	Closing Balance 31 Dec. 2013	Closing Balance 31 Dec.2013	Closing Balance 31 Dec.2012
Freehold Land	151.92	-	-	151.92	-	-	-	-	151.92	151.92
Leasehold Land	3.95	-	-	3.95	1.03	0.04	-	1.07	2.88	2.93
Factory Buildings	984.07	-	-	984.07	243.75	37.56	-	281.31	702.76	740.32
Buildings Others	509.42	4.68	0.18	513.92	166.32	18.99	0.08	185.23	328.69	343.09
Plant and Machinery	3,979.40	152.75	180.82	3,951.33	2,271.31	396.94	130.65	2,537.60	1,413.73	1,708.08
Laboratory Equipments	140.05	3.08	0.72	142.41	81.50	6.22	0.72	87.00	55.41	58.53
Office Equipments	50.01	34.48	0.29	84.20	25.41	18.03	0.29	43.15	41.05	24.60
Furniture and Fittings	235.94	13.72	1.89	247.77	205.79	6.66	1.58	210.87	36.90	30.16
Motor Vehicles	103.27	7.74	6.48	104.53	42.97	22.24	6.48	58.73	45.80	60.32
Total	6,158.03	216.45	190.38	6,184.10	3,038.08	506.68	139.80	3,404.96	2,779.14	3,119.95
Previous Year	5,307.59	980.40	129.97	6,158.01	2,693.00	462.10	117.03	3,038.07	3,119.95	

Included in the above additions, the capital expenditure towards Research & Development Activities is Rs. 0.75 Lacs (Previous Year Rs. 9.74 Lacs)

Category/ Group of Asset	GROSS BLOCK				AMORTISATION				NET BLOCK	
INTANGIBLE ASSETS	Opening Balance 01 Jan. 2013	Additions	Deductions	Closing Balance 31 Dec. 2013	Opening Balance 01 Jan. 2013	Charge for the year	Deductions during the year	Closing Balance 31 Dec. 2013	Closing Balance 31 Dec.2013	Closing Balance 31 Dec.2012
Computer Software	196.89	0.42	0.52	196.79	189.26	5.19	0.52	193.93	2.86	7.63
Total	196.89	0.42	0.52	196.79	189.26	5.19	0.52	193.93	2.86	7.63
Previous Year	192.83	8.32	4.26	196.89	190.40	3.12	4.26	189.26	7.63	

Notes to Financial Statements (continued)

	2013 Rs. Lacs	2012 Rs. Lacs
Note 10 : Non Current Investments		
Non-trade Investments (at cost)		
Government and Trust Securities (unquoted)		
Indira Vikas Patra (pledged with electricity board, Puducherry)	8.18	8.18
Comprising of 6 Nos. (previous year 6 Nos.)		
Total	8.18	8.18
Note 11 : Deferred Tax Asset		
Deferred Tax Liability		
Depreciation	(60.15)	(90.87)
	(60.15)	(90.87)
Deferred Tax Assets		
Depreciation on Assets Written Off	16.57	15.54
Expenditure debited to the Statement of Profit and Loss in the current period but allowed for the tax purpose in subsequent assessment years	139.27	136.30
Provision for doubtful debts	29.77	18.98
	185.61	170.82
Deferred Tax Asset Net	125.46	79.95
Note 12 : Long Term Loans and Advances		
Unsecured and Considered Good		
- Capital Advances	14.06	-
- Security Deposits	23.51	21.48
Other Loans and Advances		
- Deposits with Income Tax Authorities #	644.80	644.80
- Advance Income Tax (Net of Provisions)	498.32	475.78
- Employee Loans	8.10	7.68
Total	1,188.79	1,149.74
# Amounts paid to Income Tax Authorities under protest, Refer Note 28.3		
Note 13 : Inventories		
(Valued at Lower of Cost and NRV)		
Raw Materials (refer note below)	623.52	509.33
Finished Goods (refer note below) #	532.15	404.62
Stock - in - Trade	2.59	8.02
Total	1,158.26	921.97
Note :		
Raw Material in Bond	49.26	-
Raw Material in Transit	110.35	33.77
Finished Goods in Transit	62.54	2.61
# Includes provision for excise duty of Rs.77.58 Lacs (Previous Year Rs. 67.15 Lacs)		

Notes to Financial Statements (continued)

	2013 Rs. Lacs	2012 Rs. Lacs
Note 14 : Trade Receivables		
Unsecured :		
Debts Outstanding for a Period Exceeding Six Months from Due Date		
- Considered Good	267.05	70.20
- Considered Doubtful	57.88	33.07
	324.93	103.27
Less Provision for Doubtful Debts	57.88	33.07
	267.05	70.20
Other Debts		
- Considered Good #	6,163.40	6,592.30
- Considered Doubtful	25.46	24.80
	6,188.86	6,617.10
Less Provision for Doubtful Debts	25.46	24.80
	6,163.40	6,592.30
Total	6,430.45	6,662.50

Includes Rs. 64.90 Lacs (Previous year Rs. 11.98 Lacs) due from bodies corporate in which any director are interested

Note 15 : Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on Hand	2.59	1.91
Cheques on Hand	265.54	247.00
Balances with Banks		
- On current accounts	925.28	867.75
- On deposit accounts (with original maturity of three months or less)	1,350.00	750.00
- Unclaimed Dividend Accounts #	51.43	55.45
Other Bank Balances	6.19	-
(on deposit accounts with original maturity of more than three months)		
Total	2,601.03	1,922.11

These are restricted bank balances for payment of Unpaid Dividend

Note 16 : Short Term Loans and Advances		
Others		
(Unsecured Considered Good)		
- Advance for supply of goods and services	191.86	53.08
- Prepaid Expenses	43.74	42.92
- Current maturities of long term loans to employees	13.39	11.70
- Employee Travel Advances	-	2.43
- Other Recoveries	13.28	-
Balances with Excise and Customs Authorities		
- Excise Duty	-	1.35
- Service Tax	30.22	16.90
Sales Tax (VAT and CST)	9.96	43.02
Related Party		
- Dues for Reimbursements	70.27	43.47
Total	372.72	214.87

Notes to Financial Statements (continued)

	2013 Rs. Lacs	2012 Rs. Lacs
Note 17 : Other Current Assets		
Accrued Interest on Fixed Deposits	6.53	7.06
Total	6.53	7.06
Note 18 : Revenue from Operations		
Sale of Products (refer below note - I)	25,022.06	27,277.38
Less : Excise Duty	2,613.80	2,735.86
	22,408.26	24,541.52
Sale of Services	4.20	0.95
Other Operating Revenues (refer details below note - II)	278.47	132.09
Turnover	22,690.93	24,674.56
Note - I		
Sale of stock- in - trade included in sale of Products	700.10	1,093.22
Note - II		
Details for Other Operating Revenues		
Commission Income	261.44	117.03
Sale of Scrap	16.76	12.29
Sale of Deteriorated Raw Material and Packing Material	0.27	1.84
Other Miscellaneous Income	-	0.93
	278.47	132.09
Note 19 : Other Income		
From Other Sources		
Interest Income		
- On Bank Deposits	120.57	50.30
- From Customers and Others	0.81	0.97
Excess Provisions of Earlier Years Written Back	57.44	49.99
Foregin Exchange Fluctuation Gain (Net)	7.04	-
Profit on Sale of Fixed Assets (Net)	-	4.92
Others		
- Other Service Cost Reimbursed	6.60	7.27
- Management and Service Fees	12.80	19.57
- Insurance Claim Received	9.95	3.94
- Other Miscellaneous Income	39.33	29.66
Total	254.54	166.62

Notes to Financial Statements (continued)

	2013 Rs. Lacs	2012 Rs. Lacs
Note 20 : Cost of Material Consumed		
Raw Material Consumed		
- Opening Stock	509.33	574.24
- Purchases	13,103.35	14,198.15
	13,612.68	14,772.39
Less : Closing Stock	623.52	509.33
Total	12,989.16	14,263.06
Note 21 : Purchase of Stock-in-Trade		
Purchases of Traded Goods	506.81	722.13
Total	506.81	722.13
Note 22 : Changes in Inventories of Finished Goods and Stock-in-Trade		
(Increase) / Decrease in Finished Goods Manufactured		
Opening Stock	404.62	327.44
Less : Closing Stock	532.15	404.62
	(127.53)	(77.18)
(Increase) / Decrease in Stock-in-Trade		
Opening Stock	8.02	7.00
Less : Closing Stock	2.59	8.02
	5.43	(1.02)
Total	(122.10)	(78.20)
Note 23 : Employee Benefits Expense		
Salaries, Wages and Bonus	1,949.15	1,686.77
Contributions to Provident and Other Funds	313.81	296.38
Staff Welfare Expense	137.33	138.70
Total	2,400.29	2,121.85

Notes to Financial Statements (continued)

	2013 Rs. Lacs	2012 Rs. Lacs
Note 24 : Finance Cost		
Interest		
- on temporary overdrafts	26.45	46.45
Total	26.45	46.45
Note 25 : Other Expenses		
Consumption of Stores and Spares	59.85	74.23
Power and Fuel	510.51	506.29
Repairs and Maintenance - Plant and Machinery	191.37	180.13
Repairs and Maintenance - Buildings	33.64	37.24
Repairs and Maintenance - Others	10.93	16.83
Processing Charges	38.70	32.55
Freight and Forwarding Expenses	392.07	444.60
Rent	0.90	-
Rates and Taxes	36.19	20.22
Insurance	71.86	55.29
Advertising	7.45	64.33
Travelling and Conveyance	380.63	528.75
Telephone Charges	33.27	35.12
Professional Charges	277.73	239.68
Directors' Sitting Fees	2.45	2.40
Auditor's Remuneration (refer details below)	37.25	35.82
Foreign Exchange Fluctuation Loss (Net)	-	35.14
Provision for Doubtful Debts	25.46	23.98
Bad Debts	-	5.77
Loss on Fixed Assets Sold/Discarded (Net)	47.38	-
Bank Charges	12.01	15.58
Software Maintenance Charges	64.86	74.04
Royalty (including R&D Cess thereon)	1,044.27	1,129.49
Consultancy Service Fees	440.74	307.51
Commission to Resident Non Whole Time Directors	14.00	14.00
Miscellaneous Expenses	185.94	195.81
Total	3,919.46	4,074.80
Above expenses includes, expenditure on Research & Development Activities as, certified by the Management of the Company	88.10	67.13
Details of Auditor's Remuneration		
i As an auditor:		
- Statutory Audit Fees	14.70	14.25
- Tax Audit Fees	7.50	7.50
- Fees for Limited Review	9.75	9.75
- Other Services	3.20	3.20
- Reimbursement of Expenses	2.10	1.13
Total Auditors Remuneration	37.25	35.83

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 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'), 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.

Notes to Financial Statements (continued)

Note 27 : Significant Accounting Policies (continued)

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.

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 useful life of the assets as estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher. Assets individually costing Rs 5,000 or less are depreciated fully in the year of purchase.

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

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

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.

Notes to Financial Statements (continued)

1.7 Investments

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

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 Bank Balances

Cash and bank balances in the Balance Sheet comprise cash at bank and in hand and short-term investments 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.

Notes to Financial Statements (continued)

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 .

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 and Contingencies

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.

A disclosure by way of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of economic resources. Where there is a possible obligation in respect of which the likelihood of outflow of economic resources is remote, no provision or disclosure is made.

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 |
- # Formerly known as Cookson Group plc

b. Names of Related Parties with whom transactions were carried out for the Financial Year ended 31 December 2013.

i. Fellow Subsidiaries of Holding Company

- 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) Foseco S.A.S. Technical Sales Office, France
- 13) PT Foseco Indonesia
- 14) Vesuvius Emirates (FZE), Dubai
- 15) Vesuvius Foundry Products (Suzhou) Company Limited, China
- 16) Vesuvius GmbH
- 17) Vesuvius Group SA, Belgium
- 18) Vesuvius Inc., USA
- 19) Vesuvius UK Limited
- 20) Vesuvius Istanbul Refrakter SA, Turkey
- 21) Vesuvius Italia S.p.A.
- 22) Vesuvius Malaysia Sdn. Bhd.
- 23) Vesuvius Poland Sp. Z.o.o.
- 24) 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 2013

- 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 2013 :

(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	-	-	814.60	-	814.60
Purchase of Fixed Assets	-	-	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
Total	592.50	173.80	3,544.94	156.63	4,467.87

* 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 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)

For the financial year ended 31 December 2012 :

(Amount in Rs. Lacs)

Nature of Transaction	Nature of Relationship				
	Immediate Holding Company	Ultimate Parent Company & Subsidiaries	Fellow Subsidiaries	Key Management Personnel	Total
Purchases	-	-	804.51	-	804.51
Purchase of Fixed Asset	-	-	30.63	-	30.63
Sales	-	-	1,092.93	-	1,092.93
Salaries and Perquisites	-	-	-	132.60	132.60
Dividend*	518.39	152.18	-	-	670.57
Royalty	-	-	1,074.17	-	1,074.17
Consultancy Service Fees	-	-	307.51	-	307.51
Services Rendered **	-	-	255.90	-	255.90
Services Received **	-	-	147.17	-	147.17
Total	518.39	152.18	3,712.82	132.60	4,515.99

* The above figure represents interim dividend paid during the year and final dividend for the previous year ended 31 December 2011

** Including reimbursement of expenses

Related party transactions above 10% of the total transactional value	Amount in Rs. Lacs
Purchase - Foseco (FS) Limited, United Kingdom	121.06
Purchase - Vesuvius GmbH, Germany	454.64
Purchase - Vesuvius Poland Sp.z.o.o	152.26
Purchase of Fixed Asset - Vesuvius GmbH, Germany	16.49
Purchase of Fixed Asset - Foseco International Limited, United Kingdom	7.05
Purchase of Fixed Asset - Foseco (FS) Limited, United Kingdom	7.10
Sale - PT Foseco Indonesia	121.25
Sale - Vesuvius Malaysia Sdn. Bhd.	156.77
Sale - Vesuvius Emirates (FZE), Dubai	700.67
Dividend - Cookson Group plc., United Kingdom	76.17
Dividend - Foseco (UK) Limited, United Kingdom	76.01
Royalty - Foseco International Limited, United Kingdom	1,074.17
Consultancy Service Fees - Vesuvius Group SA, Belgium	307.51
Services Rendered - Foseco Foundry (China) Company Limited	41.71
Services Rendered - Foseco International Limited, United Kingdom	122.44
Services Rendered - Cookson Group Plc, United Kingdom	28.98
Services Received - Vesuvius Group SA, Belgium	37.37
Services Received - Foseco Pty Limited, Australia	99.76

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	2013	2012
Receivable	199.11	209.33
Payable	424.38	314.74

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

(Amount in Rs. Lacs)

Name of the Company	2013	2012
Vesuvius Malaysia Sdn Bhd	24.58	-
PT Foseco Indonesia	21.62	-
Foseco International Limited, United Kingdom	55.94	-
Vesuvius Emriates (FZE), Dubai	47.36	92.79

Related parties whose balance exceeds 10% of the total payable balance

(Amount in Rs. Lacs)

Name of the Company	2013	2012
Vesuvius GmbH, Germany	-	71.58
Foseco International Limited, United Kingdom	204.24	215.73
Vesuvius Group SA, Belgium	134.98	-

3 Contingent Liabilities

(Amount in Rs. Lacs)

Sr.No.	Particulars	2013	2012
i.	Counter Guarantees given to Banks in respect of Guarantee given by them	8.49	26.21
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*	471.83	898.22

* The Company has paid an amount of Rs. 64,480,060 (refer note 12) towards various tax demands raised by the authorities and had contested their claim at Appellate Authorities. The Company has received a favourable order for these years from the Commissioner of Income Tax (Appeals), however order giving effect to this is awaited from the Assessing Officer.

4 Freight Recovery

(Amount in Rs. Lacs)

Particulars	2013	2012
Amount included in Sales	197.54	247.07

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	2013	2012
F. O. B. Value of Exports	1,045.54	1,093.67
Commission and Reimbursements	521.93	346.76
Total	1,567.47	1,440.43

5.2 Expenditure in Foreign Currency

(Amount in Rs. Lacs)

Particulars	2013	2012
Travelling	3.59	2.56
Consultancy Service Fees	440.74	307.51
Services Received (reimbursements)	159.93	165.50
Total	604.26	475.57

5.3 Value of Imports [on CIF Basis]

(Amount in Rs. Lacs)

Particulars	2013	2012
Raw Materials	1,787.21	1,947.12
Capital Goods and Spares	35.72	32.38
Total	1,822.93	1,979.50

5.4 Dividend Remitted During the Year to Non-resident Shareholders

(Amount in Rs. Lacs)

Particulars	2013	2012
Number of shareholders (of which two hold 600 shares jointly, third shareholder as the nominee)	6	6
Number of shares held (including 800 shares held by three residents jointly with the non-resident shareholder as the nominee)	5,522,071	5,523,071
A. Final Dividend		
(i) Amount remitted (net of tax)	386.61	386.61
(ii) Year to which dividend related	2012	2011
B. Interim Dividend		
(i) Amount remitted (net of tax)	497.00	386.61
(ii) Year to which dividend related	2013	2012

Notes to Financial Statements (continued)

Note 28 : Disclosure Notes (continued)

5.5 Un-hedged Foreign Currency Exposure

Currency	2013			2012		
	Amount in Foreign Currency	Exchange Rate	Amount in Indian Rs. Lacs	Amount in Foreign Currency	Exchange Rate	Amount in Indian Rs. Lacs
Accounts Receivables						
USD	234,143	62.39	146.08	289,446	55.82	161.57
EUR	61,103	86.50	52.85	42,437	73.72	31.28
GBP	54,927	103.63	56.92	17,301	89.88	15.55
Accounts Payables						
USD	-	62.39	-	6,276	55.82	3.50
EUR	176,926	86.50	153.04	158,621	73.72	116.94
AUD	11,305	56.22	6.36	8,598	58.13	5.00
GBP	24,348	103.63	25.23	14,878	89.88	13.37
JPY	4,242,591	0.5993	25.43	442,367	0.6504	2.88

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)	2013	2012
(a)	Reconciliation of opening and closing balances of the Present Value of the Defined Benefit Obligations :		
	Defined Benefit Obligation at beginning of the year	640.79	526.38
	Current Service Cost	44.59	46.63
	Interest Cost	54.10	43.02
	Benefits Paid	(105.45)	(42.92)
	Actuarial Loss	17.75	67.67
	Present Value of Defined Benefit Obligation at the end of the year	651.78	640.78
(b)	Reconciliation of the opening and closing balances of the Fair Value of Plan Assets:		
	Fair Value of Plan Assets at beginning of the year	595.43	451.48
	Expected Return on Plan Assets	50.92	41.88
	Employer Contributions	69.44	101.35
	Benefits Paid	(105.45)	(42.92)
	Actuarial (Loss) / Gain	(7.58)	43.65
	Fair Value of Plan Assets at the end of the year	602.76	595.44
(c)	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:		
	Present Value of the Defined Benefit Obligation at the end of the year	651.78	640.78
	Fair Value of Plan Assets at the end of the year	(602.76)	(595.44)
	Plan Liability recognised in the Balance Sheet	49.02	45.34
(d)	The Total Expense Recognised in the Statement of Profit and Loss:		
	Current Service Cost	44.59	46.63
	Interest Cost	54.10	43.02
	Expected Return on Plan Assets	(50.92)	(41.88)
	Actuarial Loss	25.33	24.02
	Net Gratuity Cost	73.10	71.79
(e)	Actual Return on Plan Assets:		
	Actual Return on Plan Assets	43.34	85.53

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 of 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:

	2013	2012
Discount rate	9.20%	8.52%
Rate of Increase in Compensation Levels	10.7% (1st year) & 7.5% p.a. thereafter	9% (1st year) & 7.5% p.a. thereafter
Expected Rate of return on Plan Assets	8.50%	8.00%
Employee Turnover	15.00%	14.00%

(g) Experience Adjustments

	2013	2012	2011	2010	2009
Defined Benefit Obligation	49.02	45.35	74.90	38.52	12.43
Experience Adjustment on Plan Liabilities	38.57	125.43	82.81	(9.75)	12.25
Actuarial Gain / (Loss) due to Change on Assumptions	10.16	111.33	74.45	(24.65)	17.13

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	2013	2012
Provident Fund	115.19	108.05
Superannuation Scheme	126.49	118.31
Total	241.68	226.36

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	2013	2012
i.	Liquid Phenol	987.43	1,333.58
ii.	Others	12,001.73	12,929.48
	Total	12,989.16	14,263.06

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		(Amount in Rs. Lacs)	
		2013	2012	2013	2012
i.	Imported	11.84	12.69	1,538.54	1,809.77
ii.	Indigenous	88.16	87.31	11,450.62	12,453.29
	Total	100.00	100.00	12,989.16	14,263.06

6.1.3 Purchase of Raw Materials during the year

(Amount in Rs. Lacs)

Sr. No.	Particulars	2013	2012
i.	Liquid Phenol	952.12	1,377.44
ii.	Others	12,151.23	12,820.71
	Total	13,103.35	14,198.15

6.1.4 Closing Stock of Raw Materials as at

(Amount in Rs. Lacs)

Sr. No.	Particulars	2013	2012
i.	Liquid Phenol	9.01	44.33
ii.	Others	614.51	465.00
	Total	623.52	509.33

6.2 Details of Traded Goods

6.2.1 Purchase of Traded Goods during the year

(Amount in Rs. Lacs)

Sr. No.	Particulars	2013	2012
i.	Metallurgical Chemicals (includes sale of machinery used in foundry industry)	506.81	722.13
	Total	506.81	722.13

6.2.2 Sale of Traded Goods during the year

(Amount in Rs. Lacs)

Sr. No.	Particulars	2013	2012
i.	Metallurgical Chemicals (includes sale of machinery used in foundry industry)	700.10	1,093.22
	Total	700.10	1,093.22

6.2.3 Closing Stock of Traded Goods as at

(Amount in Rs. Lacs)

Sr. No.	Particulars	2013	2012
i.	Metallurgical Chemicals	2.59	8.02
	Total	2.59	8.02

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

(Amount in Rs. Lacs)

Sr. No.	Particulars	2013	2012
i.	Metallurgical Chemicals	24,321.96	26,184.16
	Total	24,321.96	26,184.16

6.3.2 Closing Stock of Finished Goods as at

(Amount in Rs. Lacs)

Sr. No.	Particulars	2013	2012
i.	Metallurgical Chemicals	532.15	404.62
	Total	532.15	404.62

8 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	
	2013	2012	2013	2012
India	21,362.72	23,447.85	6,258.28	6,494.32
Rest of the World	1,045.54	1,093.67	172.17	168.18
Total	22,408.26	24,541.52	6,430.45	6,662.50

Notes to Financial Statements (continued)

Note 28 : Disclosure Notes (continued)

9 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 2013.

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

Christopher Nail
Director

David Hughes
Director

Christopher O'Shea
Director

R Umesh
Chief Financial Officer

Mahendra Dutia
Controller of Accounts and Company Secretary

Place : Pune

Date : 21st January, 2014

Cash Flow Statement for the year ended 31st December 2013

Particulars	2013 Rs. Lacs	2012 Rs. Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	2,713.53	3,225.87
Adjustments for :		
Depreciation / Amortisation	511.87	465.22
Unrealised Foreign Exchange (gain) / loss [Net]	3.51	17.75
Interest Income	(121.37)	(51.27)
Finance Cost (excluding bank charges)	26.45	46.45
Loss / (Profit) on Sale of Fixed Assets (Net)	47.38	(4.92)
Operating profit before working capital changes	3,181.37	3,699.10
<u>Adjustments for :</u>		
Decrease / (Increase) in Trade Receivables	230.30	(304.79)
(Increase) in Inventories	(236.29)	(13.29)
(Increase) / Decrease in Loans and Advances (excluding advance taxes and deposits with Income Tax Authorities)	(160.28)	340.88
Decrease / (Increase) in Current Liabilities	152.15	(193.00)
Increase / (Decrease) in Provisions (excluding provision for tax and proposed dividend)	1.43	(17.65)
Cash generated from operations	3,168.68	3,511.25
Direct Taxes Paid	(999.54)	(1,508.52)
Net cash from operating activities	2,169.14	2,002.73
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including net movement in Capital Work-in-Progress)	(230.93)	(783.41)
Sale of Fixed Assets	3.20	17.86
Fixed Deposits Placed during the year	(6.19)	-
Interest Received	121.90	53.66
Net cash used in investing activities	(112.02)	(711.89)

Cash Flow Statement (continued)

Particulars	2013 Rs. Lacs	2012 Rs. Lacs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Unsecured Loan	(158.40)	(102.65)
Interest Expense Paid	(26.45)	(46.45)
Dividend paid (including tax on distributed dividends)	(1,199.54)	(1,051.11)
Net cash used in financing activities	(1,384.39)	(1,200.21)
Net increase in cash and cash equivalents - (A+B+C)	672.73	90.63
Cash and cash equivalents at the beginning of the year	1,922.11	1,831.48
Cash and cash equivalents at the end of the year	2,594.84	1,922.11
Particulars	2013 Rs. Lacs	2012 Rs. Lacs
Cash and Cash Equivalents		
Cash on Hand	2.59	1.91
Cheques on Hand	265.54	247.00
Balances with Banks		
- On current accounts	925.28	867.75
- On deposit accounts (with original maturity of three months or less)	1,350.00	750.00
- Unclaimed Dividend Accounts #	51.43	55.45
	2,594.84	1,922.11

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

Sanjay Mathur
Managing Director

Ajit Shah
Director

Christopher Nail
Director

David Hughes
Director

Christopher O'Shea
Director

R Umesh
Chief Financial Officer

Mahendra Dutia
Controller of Accounts and Company Secretary

Place : Pune

Date : 21st January, 2014



Foseco India Limited

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

Attendance Slip & Proxy Form

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company. The admission will, however, be subject to verification of signatures and such other checks, as may be necessary.

Name & Address of the shareholder

L.F. No.:

I hereby record my presence at the 57th 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 or Proxy

Proxy Form

I/We _____

of _____ in the district of _____ being a member/

members of Foseco India Limited hereby appoint _____

_____ of _____ in the district of _____

or failing him _____ of

_____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the 57th Annual General Meeting of the Company to be held on Tuesday, 22nd April, 2014, at 1200 Hrs. (IST) and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2014.

Affix a
One
Rupee
Revenue
Stamp

Signature of the Shareholder (s)

Note : The proxy must be returned so as to reach the Company not less than 48 hours before the time of holding the aforesaid meeting.



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:

- Please fill up the Holding details in the form for which the Shareholder(s) wish to make nomination.
- 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.
- The Shareholder(s) can nominate a minor and in that event the name and address of the Guardian shall be given.
- A nominee shall not be a Trust, Society, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family or a Power of Attorney holder.
- Nomination stand rescinded upon transfer of share(s).
- Transfer of share(s) in favour of a nominee shall be a valid discharge by a Company against the legal heir.
- 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)

	2009	2010	2011	2012	2013
Operating Results					
Sales & Other Income (Net of Duties)	12,855.13	19,008.58	23,457.38	24,841.18	22,945.47
Total Expenses	10,587.43	15,708.51	19,268.39	21,103.64	19,693.62
EBITDA	2,267.70	3,300.07	4,188.99	3,737.54	3,251.85
Interest	17.91	33.96	16.72	46.45	26.45
Depreciation	352.99	367.71	429.49	465.22	511.87
Profit before Taxation and Extraordinary Item	1,896.80	2,898.40	3,742.78	3,225.87	2,713.53
Extraordinary Items	-	-	-	-	-
Tax Expense	646.30	968.62	1,214.53	1,044.37	931.48
Profit after Taxation	1,250.50	1,929.78	2,528.25	2,181.50	1,782.05
Sources and Application of Funds					
Share Capital	638.65	638.65	638.65	638.65	638.65
Reserves	5,835.78	5,976.27	7,168.38	8,310.66	8,258.67
Shareholders Funds	6,474.43	6,614.92	7,807.03	8,949.31	8,897.32
Deferred Tax Liability (Net)	13.73	3.35	-	-	-
Loan Funds / Non Current Liabilities	1,105.00	1,102.71	1,208.23	993.33	823.94
Current Liabilities	-	-	4,237.28	4,151.32	4,952.16
Total Sources	7,593.16	7,720.98	13,252.54	14,093.96	14,673.42
Net Fixed Assets	2,643.47	2,572.83	2,816.77	3,127.58	2,782.00
Investments	8.18	8.18	8.18	8.18	8.18
Deferred Tax Assets (Net)	-	-	48.31	79.95	125.46
Long Term Loans and Advances	-	-	728.31	1,149.74	1,188.79
Net Current Assets	4,941.51	5,139.97	9,650.97	9,728.51	10,568.99
Total Application	7,593.16	7,720.98	13,252.54	14,093.96	14,673.42

Debt Equity Ratio	0.17	0.17	0.15	0.11	0.09
Earning per Share (Rs.)	19.58	30.22	39.59	34.16	27.90
Dividend per Share (Rs.)	9.00	17.00	18.00	14.00	24.50

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.