



Foseco India Limited

58th Annual Report 2014

Our Esteemed Customers

Quality, Reliability & Solutions

Solutions Partner to the Expert Foundryman

Company Information



Board of Directors

Pradeep Mallick, Chairman

Sanjay Mathur, CEO & Managing Director

Ajit Shah, Director

Merryl Durrenbach, Director

Indira Parikh, Director

R Umesh, CFO & Compliance Officer

Mahendra Dutia, Controller of Accounts and
Company Secretary

Audit Committee

Ajit Shah, Chairman

Pradeep Mallick, Member

Merryl Durrenbach, Member

Indira Parikh, Member

Stakeholders Relationship Committee

Pradeep Mallick, Chairman

Ajit Shah, Member

Indira Parikh, Member

Merryl Durrenbach, Member

Sanjay Mathur, Member

Nomination & Remuneration Committee

Ajit Shah, Chairman

Pradeep Mallick, Member

Indira Parikh, Member

Corporate Social Responsibility Committee

Indira Parikh, Chairman

Ajit Shah, Member

Sanjay Mathur, Member

Registered Office

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

Website : www.fosecoindia.com

CIN : L24294PN1958PLC011052

Factories

- Sanaswadi, Pune
- Puducherry

Statutory Auditors

- B S R and Associates LLP

Bankers

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

Registrars and Transfer Agents

- **Link Intime India Private Limited**

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

Tel.: 020 2616 0084/1629

Fax : 020 2616 3503

Email : pune@linkintime.co.in

Website : linkintime.co.in

Contents

Notice to the Shareholders	.....2
Directors' Report	..... 11
Certificate on Compliance with the conditions of Corporate Governance	.....18
Corporate Governance Report	.....19
Declaration pursuant to Clause 49 II (E)(2) of the Listing Agreement	.....31
Management Discussion & Analysis	.....32
Corporate Social Responsibility (CSR) Policy	.....36
Code of Conduct and Ethics	.....38
Whistleblower Policy	.....40
Integrated Management System Policy	.....41
Strategic Risk Management Policy	.....42
Dissemination of Information to the Market	.....43
Certification by CEO & CFO	.....44
Independent Auditors' Report	.....46
Balance Sheet	.....50
Statement of Profit and Loss	.....51
Notes to Financial Statements	.....52
Cash Flow Statement	.....76
Attendance Slip and Proxy Form	.....79
ECS Mandate Form	.....81
Nomination Form	.....83
Financial Highlights	....inside back cover



Foseco India Limited

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

Notice to the Shareholders

NOTICE IS HEREBY GIVEN that the **FIFTY EIGHTH Annual General Meeting** of the Members of **Foseco India Limited** will be held on Friday, 27 March, 2015 at 1200 Hrs. (IST) at the Registered Office of the Company at Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur, District Pune-412 208, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31 December 2014, the Statement of Profit & Loss and the Cash Flow Statement for the financial year ended on that date including any explanatory note annexed to, or forming part of, the aforementioned documents, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a final dividend on the Equity Shares for the financial year ended 31 December 2014.
3. To appoint the Statutory Auditors and to fix their remuneration and in this connection to consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, B S R & Associates LLP (ICAI Firm Registration Number: 116231W / W-100024), Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company, in place of B S R and Co. (ICAI Firm Registration Number: 128510W), Chartered Accountants, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Sixtieth (60th) AGM of the Company to be held in the year 2017 (subject to ratification of their appointment by the Members at every AGM held after this AGM) at such remuneration plus service tax, out of pocket and travelling expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors based on the recommendation of the Audit Committee."

SPECIAL BUSINESS:

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

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

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

5. Appointment of Indira Parikh as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and such other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Indira Parikh (DIN: 00143801)**, who was appointed as an Additional Director of the Company with effect from 21 July, 2014 pursuant to Section 161 of the Act, and who holds office as such up to the date of this Annual General Meeting has submitted declarations that she is eligible for appointment and that she meets the criteria of independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges and that she has given a notice in writing under Section 160 of the Act to the Company, proposing herself as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term commencing from 27 March, 2015 and ending on the date of the Annual General Meeting to be held in the year 2019."

6. Appointment of Pradeep Mallick as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and such other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Pradeep Mallick (DIN: 00061256)**, Director of the Company who retires by rotation at this Annual General Meeting has submitted declarations that he is eligible for appointment and that he meets the criteria of independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges and that he has given a notice in writing under Section 160 of the Act to the Company, proposing himself as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term commencing from 27 March, 2015 and ending on the date of the Annual General Meeting to be held in the year 2018."

7. Appointment of Ajit Shah as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and such other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, **Ajit Shah (DIN: 02396765)**, Director of the Company who retires by rotation at this Annual General Meeting has submitted declarations that he is eligible for appointment and that he meets the criteria of independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges and that he has given a notice in writing under Section 160 of the Act to the Company, proposing himself as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a term commencing from 27 March, 2015 and ending on the date of the Annual General Meeting to be held in the year 2019."

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

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

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

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

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

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

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

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

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

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

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded for the payment of remuneration of Rs. 3,50,000/- (Rupees Three Lac Fifty Thousand only) plus Service Tax at the applicable rates and reimbursement of out of pocket expenses to Joshi Apte & Associates, Cost Accountants, Pune (Firm Registration No. : 000240) appointed by the Board of Directors of the Company, for conducting the audit of the cost records of the Company for the financial year ended 31 December, 2014".

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

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

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded for the payment of remuneration of Rs. 3,50,000/- (Rupees Three Lac Fifty Thousand only)

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

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

NOTES:

1. The Explanatory Statement as required under Section 102 of the Companies Act, 2013 in respect of the special business is annexed to this Notice.
2. **A Member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Company.**
3. **The instrument appointing proxy, in order to be effective, must be received by the Company at the Registered Office not later than 48 hours before the commencement of the Meeting. Members / Proxies are requested to sign the attendance slip annexed to the proxy form and hand it over at the gate of the venue of the Meeting.**
4. Pursuant to the provisions of Section 105 of the Companies Act, 2013 and the Rules framed thereunder, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such proxy shall not act as a proxy for any other person or Member.
5. Corporate Members are requested to send a board resolution duly certified, authorising their representative to attend and vote on their behalf at the Annual General Meeting.
6. The proxy form should be signed by the appointer or his/her attorney duly authorised in writing or, if the appointer is a body corporate, the proxy form should be signed by an officer of the Company under his/her official seal or an attorney duly authorised by him/her.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 21 March, 2015 to Friday, 27 March, 2015 (both days inclusive) in terms of the provision of Section 91 of the Companies Act, 2013, for determining the entitlement of the shareholders to the payment of dividend, if declared at the Meeting.
9. The final dividend, if declared at the AGM, shall be paid/credited on or before 25 April, 2015 as under to those Members of the Company:
 - i) whose names appear in the Company's Register of Members in respect of shares held in physical form, after giving effect to all valid share transfers lodged with the Company on or before the close of business hours on Friday, 20 March, 2015; and
 - ii) whose names appear as beneficial owners in respect of shares held in demat form, as per the details furnished for this purpose by the National Securities Depository Limited and the Central Depository Services (India) Limited, as of the close of business hours on Friday, 20 March, 2015.
10. Members holding shares in physical form are requested to intimate any change in address, change of name, bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, e-mail address, contact numbers, etc., to the Company's Registrar & Transfer Agents, Link Intime India Pvt. Ltd., at Block 202, 2nd Floor, Akshay Complex, Off Dhule Patil Road, Pune - 411 001 (Phone No. 020-2616 1629 / 2616 0084, Email: pune@linkintime.co.in) for providing efficient and better services. Members holding shares in dematerialised form are requested to intimate such changes to their respective depository participants.
11. Members can avail of the facility of nomination in respect of securities held by them in physical form pursuant to the provision of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed form duly filled-in to RTA. Members holding shares in electronic mode may contact their respective Depository Participant (DP) for availing this facility.
12. **TRANSFER OF UNCLAIMED/UNPAID DIVIDENDS TO INVESTORS EDUCATION and PROTECTION FUND (IEPF):** Pursuant to Section 124 of the Companies Act, 2013 read with the relevant Rules, all unclaimed / unpaid dividend remaining unclaimed / unpaid with the Company on the expiry of 7 (seven) years from the date of its transfer to the unclaimed / unpaid account, will be transferred to the Investors Education and Protection Fund set up by the Central Government. Members are requested to write to the Company and/or Share Transfer Agents, if any dividend warrants are not encashed so that fresh / re-validated warrants could be issued by the Company.
13. In line with the Green Initiative of the Ministry of Corporate Affairs, hard copy of the Annual Report containing the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement etc. will be sent to those shareholders who have not registered their e-mail addresses. Shareholders who have registered their e-mail addresses will be sent the soft copies by e-mail. However, a shareholder continues to retain the right to request the Company for a hard copy of the Report.
14. To ensure that shareholders' queries are answered in full, shareholders are requested to write to the Company at an early date at the e-mail ID **mahendra.dutia@foseco.com**.
15. Relevant documents referred to in the accompanying Notice and the explanatory statement, the Statutory Registers, the Audited Financial

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

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

17. Voting through electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide its Members facility to exercise their right to vote at the 58th Annual General Meeting (AGM) by electronic means and the items of business as detailed in this Notice may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL):

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 19 March, 2015 at 9.00 am and ends on 21 March, 2015 at 6.00 pm. During this period, Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **13 February, 2015** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website **www.evotingindia.com** during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for "FOSECO INDIA LIMITED" on which you choose to vote.

- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders and Custodians :
 - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **<https://www.evotingindia.com>** and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com** under help section or write an email to **helpdesk.evoting@cdslindia.com**.

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

Registered Office :

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

Date: 24 February, 2015

By Order of the Board of Directors

Mahendra Kumar Dutia

Controller of Accounts &
Company Secretary

Annexure to the Notice of the Annual General Meeting

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

As required by Section 102 of the Companies Act, 2013, (hereinafter referred to as "the Act") the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos. 3 to 11 of the accompanying Notice.

Item No. 3

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

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

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

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

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

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

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

Item No. 4

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

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

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

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

She does not hold any shares in the Company.

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

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

Item No. 5, 6 and 7

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

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

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

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

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

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

The Copy of the draft letter for appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays and Sundays. They are also posted on Company's website - www.fosecointia.com.

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

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

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

Save and except, Indira Parikh, Pradeep Mallick and Ajit Shah being appointees to their respective reappointments, none of the Directors, Manager or any other key managerial personnel or any of their relatives, are concerned or interested, whether financially or otherwise, in this Resolution.

Item No. 8

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

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

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

Item No. 9

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

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

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