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Board of Directors

(as on August 19, 2020)



Biswadip Gupta
Chairman



Subrata Roy
Managing Director



Patrick Georges Felix Andre



Thiago Da Costa Avelar



Henry James Knowles



Nayantara Palchoudhuri (Miss)



Sudipto Sarkar



VESUVIUS

Board of Directors

(as on August 19, 2020)

Biswadip Gupta, *Chairman*
 Subrata Roy, *Managing Director* (wef 19.08.2020)
 Patrick Georges Felix Andre
 Thiago Da Costa Avelar (wef 21.02.2020)
 Henry James Knowles (wef 03.06.2020)
 Nayantara Palchoudhuri (Miss)
 Sudipto Sarkar

Board Committees

Audit Committee

Biswadip Gupta, *Chairman*
 Thiago Da Costa Avelar
 Nayantara Palchoudhuri (Miss)
 Sudipto Sarkar

Corporate Social Responsibility Committee

Biswadip Gupta, *Chairman*
 Henry James Knowles
 Nayantara Palchoudhuri (Miss)
 Sudipto Sarkar
 Subrata Roy

Nomination and Remuneration Committee

Sudipto Sarkar, *Chairman*
 Biswadip Gupta
 Patrick Georges Felix Andre
 Nayantara Palchoudhuri (Miss)

Risk Management Committee

Directors :

Biswadip Gupta, *Chairman*
 Henry James Knowles
 Nayantara Palchoudhuri (Miss)
 Sudipto Sarkar
 Subrata Roy

Executives :

Sivasis Sen
 Vikram Singh

Share Transfer and Stakeholders Grievance & Relationship Committee

Biswadip Gupta, *Chairman*
 Henry James Knowles
 Nayantara Palchoudhuri (Miss)
 Sudipto Sarkar
 Subrata Roy

Key Managerial Personnel

Subrata Roy, *Managing Director*
 Sivasis Sen, *Chief Financial Officer*
 Vikram Singh, *Company Secretary*

Auditors

Price Waterhouse Chartered Accountants LLP
 Chartered Accountants
 Plot No 56 & 57, Block DN Sector V
 Salt Lake, Kolkata 700 091
 (Firm's Registration No. 012754N/N500016)

Cost Auditor

Jithendra Kumar & Co
 Flat no 14, 2nd floor, "A" Block, Siva Durga Enclave,
 Chanumolu Venkata Rao flyover down right side,
 Beside Bhagynagar CNG Station,
 KT Road, Vijaywada 520001
 (Firm Registration No : 103347)

Secretarial Auditor

Anjan Kumar Roy & Co.
 GR1, Gouri Bhaban,
 28A Gurupada Halder Road, Kolkata 700 026
 (FCS No. 5684 CP. No. 4557)

Bankers

Axis Bank Limited
 Hongkong Bank
 State Bank of India
 Standard Chartered Bank

Registrars & Share Transfer Agents

CB Management Services (P) Ltd
 P-22 Bondel Road, Kolkata 700 019
 CIN : U74140WB1994PTC062959
 SEBI Regn No : INR000003324
 Tel : (033) 4011 6700/ 6720/ 6724 Fax : (033) 40116739
 Email : rta@cbmsl.com, ranarc@cbmsl.com
 Website : www.cbmsl.com

Registered Office

P-104 Taratala Road, Kolkata 700 088
 Tel : (033) 30410600 Fax : (033) 2401 3976
 Email : vesuviusindia@vesuvius.com
 Website : www.vesuviusindia.com
 CIN : L26933WB1991PLC052968
 ISIN No : INE386A01015
 LEI No : 335800H1T1G01JY1VF55

Kolkata Factory

P-104 Taratala Road, Kolkata 700 088
 Tel : (033) 30410600 Fax : (033) 2401 3976

Visakhapatnam Factories

(a) First Factory

Plot No. 13, 14 & 15, Block "E"
 IDA Autonagar, Visakhapatnam 530 012
 Tel : (0891) 3011300; 3011337 Fax : (0891) 2587511

(b) Second Factory

Survey No 90 & 98, Part, Block G,
 Industrial Park, Fakirtakya Village
 Autonagar, Visakhapatnam 530 049
 Tel : (0891) 3983715 Fax : (0891) 3983708

Mehsana Factory

212/B, G.I.D.C. Estate, Mehsana 384 002, Gujarat
 Tel : (02762) 252948 / 949 Fax : (02762) 252909



VESUVIUS INDIA LIMITED

Registered Office : P-104 Taratala Road, Kolkata 700 088

CIN No. : L26933WB1991PLC052968

Phone : (033) 30410600 Fax : (033) 2401 3976

Email : vesuviusindia@vesuvius.com Website : www.vesuviusindia.com

NOTICE OF ANNUAL GENERAL MEETING

To The Members of
Vesuvius India Limited
 P-104 Taratala Road
 Kolkata 700 088

Notice is hereby given that the twenty-ninth Annual General Meeting of the Members of Vesuvius India Limited will be held on Friday, September 25, 2020 at 2.00 p.m., through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility, the deemed venue of the meeting being at the Registered Office at P-104 Taratala Road, Kolkata 700088, to transact the following Business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of Vesuvius India Limited for the year ended on December 31, 2019, the Reports of the Directors and Auditors thereon and to pass the following resolution as an **Ordinary Resolution** :

"**RESOLVED** that the Statement of Profit and Loss for the year ended on December 31, 2019, the Balance Sheet as on that date and the Notes and Annexures thereto, the Statement of Cash Flows for the year ended on December 31, 2019, the Statement of Changes in Equity for the year ended on December 31, 2019 and the Reports of Auditors and Directors thereon be and are hereby received and adopted."

2. To declare dividend for the year ended on December 31, 2019 and to pass the following resolution as an **Ordinary Resolution** :

"**RESOLVED** that pursuant to the recommendation of the Directors, dividend at the rate of Rs 7/- per Equity Share of nominal value Rs 10/- each, out of the current profits of the Company for the year ended on December 31, 2019 on 2,02,96,080 (Two crores, two lakhs ninety six thousand and eighty) Equity Shares of the Company, be and is hereby declared and that the same be paid to those Members whose names appear on the Company's Register of Members and in the Register of Beneficial Owners maintained by the Depositories as on the Record Date which is September 18, 2020."

SPECIAL BUSINESS

3. To appoint Mr Subrata Roy as a Director and Managing Director of the Company and to pass the following resolutions as an **Ordinary Resolution** :

"**RESOLVED** that Mr Subrata Roy (DIN No. 07046994) who was appointed Managing Director of the Company effective from August 19, 2020 at the Board meeting held on August 19, 2020 and in respect of whom the Company has received from a Member a notice in writing pursuant to the requirements of Section 160 of the Companies Act, 2013 proposing his candidature for appointment as a Director and whose appointment has been recommended by the Nomination and Remuneration Committee, be and is hereby appointed a Director of the Company with effect from August 19, 2020 whose period of office shall be liable to retire by rotation.

"**RESOLVED FURTHER** that, pursuant to the provisions of Sections 196, 197, Schedule V and other provisions of the Companies Act, 2013 and subject to the approval of the Central Government, if applicable, consent be and is hereby given to the appointment of Mr Subrata Roy (DIN No. 07046994) as Managing Director of the Company for a period of two years effective from August 19, 2020 on remuneration, terms and conditions as set out in the Agreement dated August 19, 2020 executed between the Company of the one part and Mr Subrata Roy of the other part.

"**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorised to modify, determine and/or revise the terms, remuneration and perquisites of Mr Subrata Roy including his salary, allowances, incentive, bonus, perquisites and benefits from time to time, within the overall ceilings laid down in the aforesaid Agreement dated August 19, 2020 and the Companies Act, 2013 including any statutory modification or re-enactment thereof."

4. To pass the following resolution as an **Ordinary Resolution** :

“**RESOLVED** that pursuant to the provisions of sections 152, 160 and all other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made thereon, Mr Thiago Da Costa Avelar (DIN No. 08697241), in respect of whom the Company has received from a Member a notice in writing pursuant to the requirements of section 160 of the Act proposing his candidature for appointment as a Director and whose appointment has been recommended by the Nomination and Remuneration Committee, be and is hereby appointed as a Director of the Company with effect from September 25, 2020, who shall be liable to retire by rotation.”

5. To pass the following resolution as an **Ordinary Resolution** :

“**RESOLVED** that pursuant to the provisions of sections 152, 160 and all other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made thereon, Miss Nayantara Palchoudhuri (DIN No. 00581440), in respect of whom the Company has received from a Member a notice in writing pursuant to the requirements of section 160 of the Act proposing her candidature for appointment as a Director and whose appointment has been recommended by the Nomination and Remuneration Committee, be and is hereby appointed as a Director of the Company with effect from September 25, 2020.”

6. To pass the following resolution as an **Ordinary Resolution** :

“**RESOLVED** that pursuant to the provisions of sections 152, 160 and all other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made thereon, Mr Biswadip Gupta (DIN No. 00048258), in respect of whom the Company has received from a Member a notice in writing pursuant to the requirements of section 160 of the Act proposing his candidature for appointment as a Director and whose appointment has been recommended by the Nomination and Remuneration Committee, be and is hereby appointed as a Director of the Company with effect from September 25, 2020.”

7. To pass the following resolution as an **Ordinary Resolution** :

“**RESOLVED** that pursuant to the provisions of sections 152, 160 and all other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made thereon, Mr Henry James Knowles (DIN No. 08751453), in respect of whom the Company has received from a Member a notice in writing pursuant to the requirements of section 160 of the Act proposing his candidature for appointment as a Director and whose appointment has been recommended by the Nomination and Remuneration Committee, be and is hereby appointed as a Director of the Company with effect from September 25, 2020, who shall be liable to retire by rotation.”

8. To pass the following resolution as a **Special Resolution** :

“**RESOLVED** that pursuant to the provisions of Section 149, Section 152 and Section 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”), and Rules made thereon, and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Miss Nayantara Palchoudhuri (DIN No. 00581440), in respect of whom the Company has received from a Member a notice in writing pursuant to the requirements of Section 160 of the Act proposing her candidature for appointment as a Director and Independent Director and whose re-appointment has been recommended by the Nomination and Remuneration Committee, be and is hereby re-appointed as an Independent Director of the Company to hold office as an Independent Director for a further term of five consecutive years with effect from September 25, 2020 and not liable to retirement by rotation during this term of appointment.”

9. To pass the following resolution as a **Special Resolution** :

“**RESOLVED** that pursuant to the provisions of Section 149, Section 152 and Section 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”), and Rules made thereon, and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr Biswadip Gupta (DIN No. 00048258), in respect of whom the Company has received from a Member a notice in writing pursuant to the requirements of Section 160 of the Act proposing his candidature for appointment as a Director and Independent Director and whose re-appointment has been recommended by the Nomination and Remuneration Committee, be and is hereby re-appointed as an Independent Director of the Company to hold office as an Independent Director for a further term of five consecutive years with effect from September 25, 2020 and not liable to retirement by rotation during this term of appointment.”

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

10. To pass 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 Rules made thereon, M/s Jithendra Kumar & Co, Cost Accountants, (Firm Registration No. 103347), who have been appointed as Cost Auditors of the Company for conducting the Cost Audit of the cost accounting records of the Company be paid a remuneration of Rs 1,00,000 (Rupees one lakh only) plus GST, if applicable, and out of pocket expenses at actuals as may be determined by the Board of Directors of the Company for the financial year ended on December 31, 2020. “

Explanatory Statement : Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under Item Nos. 3 to 10 of the Notice is annexed and forms a part of this Notice.

No Director retiring by rotation : None of the directors will retire by rotation at the ensuing Annual General Meeting (“AGM”) and hence no resolution for re-appointment of director retiring by rotation is included in the Notice.

Record Date : Notice is given under section 91 of the Companies Act, 2013 read with regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI (LODR)”] that the **Record Date** will be **September 18, 2020** to determine those Members who will be entitled to receive dividend which will be declared at the Annual General Meeting.

Cut Off Date : Notice is also given that the **Cut Off Date** will be **September 18, 2020** to determine the Members entitled to undertake voting electronically on the business and all resolutions set forth in this Notice by remote e-Voting and also by e-Voting on the date of the Annual General Meeting and for attending the Annual General Meeting through VC/OAVM.

Notes to the Notice : The Notes appended to the Notice form a part of this Notice to Members.

Additional Information of Directors : Additional information given at the end of this Notice of Directors seeking appointment or re-appointment at the AGM pursuant to requirements of SEBI (LODR) and Secretarial Standards, forms a part of this Notice to Members.

Proxy : Since this Annual General Meeting is being held through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), the facility to appoint proxy to attend and cast vote on AGM day is not available [Circular no 142020 dated 8.4.2020 issued by the Ministry of Corporate Affairs and Circular no SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12.05.2020 issued by Securities and Exchange Board of India]. Accordingly, Proxy Form and attendance slip are not annexed to the Notice of this AGM.

Registered Office :

P-104 Taratala Road
Kolkata 700 088
August 19, 2020

By Order of the Board of Directors

Vesuvius India Limited

Vikram Singh
Company Secretary
(ACS 16381)

Notes forming part of the Notice to Members :

1. **Annual General Meeting through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)** : In view of the outbreak of the COVID-19 pandemic, several restrictions have been imposed by the Government including assembling of persons, maintaining social distancing and movement of persons. The Ministry of Corporate Affairs, Government of India (“MCA”) and Securities and Exchange Board of India (“SEBI”) have therefore issued several circulars giving directions for holding meetings through VC/OAVM and to send notices, reports and other communication through electronic means. In compliance with these directions of MCA and SEBI, this Annual General Meeting is being conducted through VC/OAVM using the facility offered by National Securities Depository Limited (“NSDL”). The deemed venue for this twenty-ninth AGM shall be the Registered Office of the Company at P-104 Taratala Road, Kolkata 700088. There will not be any physical gathering of Members and Members will attend and participate in the AGM through VC/OAVM only. Therefore road map for the venue of the AGM is not attached to this Notice. The detailed procedure for participating in the Meeting through VC/OAVM is given separately in this Notice.

2. IMPORTANT DATES FOR MEMBERS

ANNUAL GENERAL MEETING : Annual General Meeting will be held through VC/OAVM on **Friday, September 25, 2020 from 2.00 p.m.** The deemed venue for the AGM shall be the Registered Office of the Company at P-104 Taratala Road, Kolkata 700088.

RECORD DATE : Record Date will be **September 18, 2020** to determine those Members who will be entitled to receive dividend which will be declared at the Annual General Meeting.

CUT OFF DATE : Cut Off Date will be **September 18, 2020** to determine the Members entitled to undertake voting electronically on the Business and all resolutions set forth in this Notice by remote e-Voting, e-Voting on the AGM day and for attending the AGM through VC/OAVM.

REMOTE ELECTRONIC VOTING PERIOD will be from **9.00 a.m. on September 21, 2020 to 5.00 p.m. on September 24, 2020**, both days inclusive. Remote e-Voting will be blocked after 5.00 p.m. on September 24, 2020.

ELECTRONIC VOTING FACILITY will also be provided on the date of the Annual General Meeting on September 25, 2020 to those Members who are eligible to vote but who have not cast their votes through remote e-Voting and who attend the Annual General Meeting through VC/OAVM. Electronic Voting on AGM date will be allowed for upto 30 minutes after AGM is declared closed by the Chairman.

3. **DIVIDEND** : Dividend to be declared at this meeting, will, subject to the provisions of section 126 of the Companies Act, 2013, be deposited with the Bank within September 30, 2020 and dividend will be paid within October 7, 2020 to those Members or to their mandates, whose names appear as on the Record Date of September 18, 2020 in the Register of Members maintained by the Company or in the Register of Beneficial Owners furnished by the National Securities Depository Ltd. and Central Depository Services (India) Ltd., for this purpose. Income Tax will be deducted at source from dividend paid, as applicable. Dividend will be paid electronically by credit to the bank accounts of Members as per their Bank Mandates.

4. **BANK ACCOUNT DETAILS** : Regulation 12 and Schedule I of SEBI (LODR) require all companies to use the facilities of electronic clearing services for payment of dividend. Notices have been sent to shareholders to update their Email ID, Bank Mandates and Income Tax PAN. **In compliance with these regulations and SEBI circulars, payment of dividend will be made only by electronic mode directly into the bank account of Members and no dividend warrants or demand drafts will be issued without bank particulars.**

YOU ARE REQUESTED TO SUBMIT YOUR BANK DETAILS ALONG WITH AN ORIGINAL CANCELLED CHEQUE OR A XEROX COPY OF THE CHEQUE to our Registrars, M/s C B Management Services (P) Ltd to enable them to update our records, in case you hold shares in physical form and to your Depository Participants in respect of shares held by you in dematerialised form.

5. **UNCLAIMED DIVIDEND** : Notices have been sent to all Shareholders concerned on January 31, 2020 informing them that their dividend remains unclaimed and the procedure to obtain payment of these unclaimed dividend. Details of dividend unclaimed by Members for the past years which have not yet been transferred to the Central Government have been uploaded on the Company’s website www.vesuviusindia.com. Members are encouraged to view the lists and lodge their claim with our Registrars & Share Transfer Agents for dividend which have remained unclaimed.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

6. **TRANSFER OF UNCLAIMED DIVIDEND TO IEPF** : Dividend for the year ended on December 31, 2012 which was declared at the Annual General Meeting held on April 25, 2013 and remaining unclaimed has been transferred to the Investor Education and Protection Fund of the Central Government pursuant to the provisions of sections 124 of the Companies Act, 2013. Reminder letters had been sent to the Shareholders concerned on January 31, 2020.
7. **TRANSFER OF SHARES TO IEPF** :
 - a) Shares, in respect of which dividend for the year ended December 31, 2011 has been transferred to the Investor Education and Protection Fund ("IEPF") of the Central Government, have been transferred to IEPF in June, 2019 pursuant to Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules") read with section 124 of the Companies Act, 2013. Details of these shares are available in the Company's website and can be viewed at <http://www.vesuviusindia.com/view/viewdividendhistory.aspx>
 - b) Shares, in respect of which dividend for the year ended December 31, 2012 has also been transferred to the IEPF pursuant to Rule 6 of the Rules read with section 124 of the Companies Act, 2013. Individual notices had been sent by registered post to the Shareholders concerned on February 12, 2020, requesting them to encash their unclaimed dividends failing which the corresponding shares will be transferred to IEPF. An Advertisement had also been published in the newspapers on February 14, 2020. The shares transferred to IEPF are available on the Company's website.
8. **TRANSFER OF SHARES ONLY IN DEMAT MODE** : As per revised regulation 40 of SEBI (LODR), shares will be transferred only in dematerialised mode effective from April 1, 2019 and therefore Shareholders are requested to dematerialize their existing shares held in physical form.
9. **ISIN No** : The shares of the Company are tradable compulsorily in electronic form. **The ISIN number allotted is INE386A01015**. In view of the numerous advantages offered by the depository system and the directives given in regulation 40 of SEBI (LODR), Members are requested to avail of the facility of dematerialization of the Company's shares held by them in physical form.
10. **NOMINATION** : Pursuant to the provisions of section 72 of the Companies Act, 2013, Members, who hold shares in physical form, are informed that they may nominate at any time, in the prescribed manner, a person to whom their shares in the Company shall vest in the event of their death. Nomination Form SH-13 is available on the website of the Company at www.vesuviusindia.com under the heading "Investor Information" and "Download Forms". Members holding shares in dematerialized form will have to contact their Depository Participants to register their nomination.
11. **WEBSITE** : The Company's website is www.vesuviusindia.com Annual Reports of the Company, unclaimed dividend list, shares transferred to IEPF, standard downloadable forms and other Shareholder Communication are made available on the Company's website.
12. **COMMUNICATION** : All Shareholder communication including notices, Annual Reports, quarterly unaudited financial results, etc., will be sent to the email addresses of Members registered with the Company and the Depository Participants. The Notice of the Annual General Meeting is being sent by electronic mode to those Members whose email addresses are registered with the Company and the Depository Participants. This year as per directive of MCA and SEBI physical copy of Annual Report and Notice of AGM will not be sent. These documents will also be made available on the Company's website www.vesuviusindia.com and will be open for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 4.00 pm on all working days upto the date of the Annual General Meeting.
13. **CORPORATE REPRESENTATION** : A Corporate Member shall be deemed to be personally present only if it is represented in accordance with Section 113 of the Companies Act, 2013 i.e. only if the Corporate Member sends to the Scrutiniser, NSDL and the Company, a certified true copy of the resolution passed by the Board of Directors of the Corporate Entity or a Power of Attorney authorizing the Representative to attend and e-Vote on the day of AGM on behalf of the Corporate Member.
14. **REGISTRARS** : Members are requested to contact **M/s C B Management Services (P) Ltd, Registrars and Share Transfer Agents of the Company at P-22, Bondel Road, Kolkata 700 019 (Phone No 033-40116700; Email : rta@cbmsl.com)** for recording any change of address, **bank mandate, NECS, registration of Email ID**, share transmission or nominations regarding shares held by them in physical form and for redressal of complaints or contact the Company Secretary, at the Registered Office or by email at vesuviusindia@vesuvius.com.

15. INSTRUCTIONS FOR ELECTRONIC VOTING

In compliance with section 108 of the Companies Act, 2013 (“Act”) read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended (“Rules”) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI (LODR)”] and all other applicable sections, rules and regulations, and the recent circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India, the Members holding shares either in physical form or in dematerialised form as on the **CUT OFF DATE** are provided with the facility for voting by electronic means and the business and all resolutions set forth in this Notice may be transacted through such voting electronically through the e-Voting services provided by **National Securities Depository Limited (“NSDL”)** as more fully specified below :

- I. REMOTE ELECTRONIC VOTING :** Members holding shares either in physical form or in dematerialised form whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the **CUT OFF DATE which is September 18, 2020** will be entitled to electronically vote on the business and all resolutions set forth in this Notice during the **REMOTE E-VOTING PERIOD which is from 9.00 a.m. on September 18, 2020 upto 5.00 p.m. on September 24, 2020, both days inclusive**. Remote e-Voting shall not be allowed beyond 5.00 p.m. on September 24, 2020 and remote e-Voting facility will be blocked after 5.00 p.m. on September 24, 2020. Members who have cast their vote by remote e-Voting prior to the date of the Annual General Meeting may also attend the meeting through VC/OAVM, but shall not be entitled to cast their vote again.

INSTRUCTIONS FOR REMOTE E-VOTING ARE AS UNDER :

A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/ Depositories) :

- i. Open the e-mail and also open PDF file namely “Vesuvius e-Voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-Voting. Please note that the password is an initial password.
- ii. Open the web browser by typing the following URL: <https://www.evoting.nsdl.com/>
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can then proceed to item (viii) below to cast your vote electronically.
- iii. Click on **Shareholder - Login**.
- iv. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.
 - a) For Members holding demat account with NSDL, their User ID will be the 8 character DP ID followed by the 8 digit Client ID;
 - b) For Members holding demat account with CDSL, their User ID will be the 16 digit Beneficiary ID;
- v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
- vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both.
- vii. If a Member has forgotten his password :
 - a. he can reset his password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the toll free Telephone no. **1800-222-990**
 - b. **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

- viii. Once the e-Voting home page opens, click on **e-Voting** and then click on **Active Voting Cycles**.
- ix. Select **“EVEN”** (E-Voting Event Number) of **Vesuvius India Limited**. Now you are ready for e-Voting as Cast Vote page opens.
- x. Cast your vote by selecting appropriate option and click on **“Submit”** and also **“Confirm”** when prompted.
- xi. Upon confirmation, the message **“Vote cast successfully”** will be displayed.
- xii. You can also take printout of the votes cast by you by clicking on the print option on the confirmation page.
- xiii. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently or cast the vote again.
- xiv. Mr Anjan Kumar Roy, Proprietor of Anjan Kumar Roy & Co, Practising Company Secretaries (Membership No. F5684 and C.P. No 4557) of GR-1, Gouri Bhaban, 28A, Gurupada Halder Road, Kolkata 700026 Phone : 9830201949; (033) 24750112 Email : akroyco@yahoo.co.in and anjanroy_2003@yahoo.co.in) has been appointed as the Scrutiniser to scrutinise the e-Voting process in a fair and transparent manner and to give his report to the Chairman.
- xv. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG format) of the relevant Board Resolution/ Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote and attend the VC/OAVM, to the Scrutinizer through e-mail with a copy marked to **evoting@nsdl.co.in**.
- xvi. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) – for members and e-Voting user manual for members available at the downloads sections of **https://www.evoting.nsdl.com** or contact NSDL at the **toll free Telephone no. 1800-222-990** or by email **evoting@nsdl.co.in**. You may also send your queries/ grievances relating to e-Voting to Mr. Rana Roy Choudhury, M/s. CB Management Services (P) Ltd. Tel. No. (033) 40116724, e-mail: **ranarc@cbmsl.co**

B. For Members whose email addresses are not registered with the Company/Depositories:

- i. You may contact NSDL (at the **toll free Telephone no. 1800-222-990** or by email **evoting@nsdl.co.in**) or the Registrars (Mr. Rana Roy Choudhury, M/s. CB Management Services (P) Ltd. Tel. No. (033) 40116724) to obtain EVEN (E-Voting Event Number), user ID and password.
- ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xvi) above, in case you like to cast your vote through Remote e-Voting.
- iii. **MEMBERS ARE REQUESTED TO UPDATE THEIR EMAIL ID AND BANK MANDATE WITH THEIR DEPOSITORIES** (if shares are held in demat mode) **OR WITH THE REGISTRARS** (if shares are held in physical mode)

II. ELECTRONIC VOTING ON DATE OF ANNUAL GENERAL MEETING : Members holding shares either in physical form or in dematerialised form whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the **CUT OFF DATE which is September 18, 2020** and who have not cast their votes electronically through remote e-Voting, will be entitled to vote on the business and all resolutions set forth in this Notice on the date of the Annual General Meeting (**“AGM”**). E-Voting at the AGM venue will commence after the Chairman explains the procedure for e-Voting to be followed and formally announces the commencement of e-Voting on the AGM day. E-Voting will be allowed upto 30 minutes after the Chairman concludes the meeting and declares the AGM closed. Members who have cast their vote by remote e-Voting prior to the Annual General Meeting may attend the meeting but shall not be entitled to cast their vote again.

III. MANNER IN WHICH PERSONS WHO HAVE ACQUIRED SHARES AND BECOME MEMBERS OF THE COMPANY AFTER THE DESPATCH OF NOTICE MAY OBTAIN THE LOGIN ID AND PASSWORD TO ENABLE THEM TO CONDUCT REMOTE E-VOTING OR VOTING AT VENUE OF THE ANNUAL GENERAL MEETING

Persons who have acquired shares after the despatch of this Notice and are Members of the Company as on the Cut Off Date, may obtain the login ID and password by sending a request to NSDL by email at **evoting@nsdl.co.in** or to the Share Registrars by post or by email. However, Members already registered with NSDL for remote e-Voting can use their existing user ID and passwords for casting their votes electronically. If a Member has forgotten his password, he

can reset his password by using “Forgot User Details/Password” option available on www.evoting.nSDL.com or contact NSDL at the toll free Telephone no. **1800-222-990**.

PLEASE NOTE THAT

- Login to NSDL’s e-Voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through ‘Forgot User Details/Password’ option available on the website to reset the same.
- Your existing user ID and password with NSDL can be used by you exclusively for e-Voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

16. INSTRUCTIONS FOR ATTENDING ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCE /OTHER AUDIO VISUAL MEANS ARE AS UNDER :

- (i) The Annual General Meeting (“AGM”) will be held on **Friday, September 25, 2020** and will **commence from 2.00 p.m.** and will continue until the Chairman concludes the meeting and declares the AGM closed. The Members can join the AGM through Video Conferencing (“VC”) or Other Audio Visual Mode (“OAVM”) 15 minutes before and upto 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available on first-come-first-served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutiner etc. who are allowed to attend the AGM without the first-come-first-served basis restriction.
- (ii) Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- (iii) Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nSDL.com> under Shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/Members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further Members can also use the OTP based login for logging into the e-Voting system of NSDL.
- (iv) Members are encouraged to join the Meeting through Laptops for better experience.
- (v) Members are requested to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (vi) **Registration as Speaker :** Members who would like to express their views/ask questions during the AGM should register themselves as a Speaker. They should send their request mentioning their name, demat account number/ folio number, email ID and mobile number to the Company’s email vesuviusagm2020@gmail.com **latest by 4.00 p.m. (IST) on Wednesday, September 23, 2020.**
- (vii) **Sending Questions in Advance :** Members may send their questions in advance mentioning their name, demat account number/folio number, email ID and mobile number and number of shares held to the Company’s email vesuviusagm2020@gmail.com **latest by 4.00 p.m. (IST) on Wednesday, September 23, 2020.** The Chairman will respond to these questions during the AGM.
- (viii) Those shareholders who have registered themselves as a Speaker will only be allowed to express their views/ask questions during the meeting.
- (ix) A sequence of Speakers will be made and Chairman will invite the Speakers serially according to this sequence. When a pre-registered Speaker is invited to speak at the meeting but he / she does not respond, the next Speaker will be invited to speak. Accordingly, all Speakers are requested to get connected to a device with a video / camera along with good internet speed.

NOTICE OF ANNUAL GENERAL MEETING (Contd.)

- (x) Members who need assistance before or during the AGM, can contact NSDL at evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager-NSDL at amitv@nsdl.co.in / 022-24994360 or Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in/ 022-24994545.

17. Other Information :

- a) The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company held by them as on the Cut Off Date.
- b) Only those who are Members of the Company as on the Cut Off date will be entitled to vote through remote e-Voting or e-Voting on the date of the AGM. A person who is not a Member of the Company as on the Cut Off Date but has received a copy of the Notice should treat the Notice for information only.
- c) Since this will be a meeting through VC/OAVM, proxies and physical attendance are not permitted. Attendance to the AGM shall be only through VC/OAVM.
- d) This Notice convening the AGM is displayed on the website of the Company www.vesuviusindia.com and the website of NSDL, www.nsdl.com In compliance with the circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India, physical copies of the Notice or Annual Report etc have not been sent to the Members.
- e) The Scrutiniser shall, within a period not exceeding two working days from the conclusion of the AGM, make a report of the votes cast in favour or against, to the Chairman of the Company or in his absence to the Managing Director, who shall then declare the results of e-Voting.
- f) The results of the e-Voting declared along with Scrutiniser's Report will be available on the website of the Company, www.vesuviusindia.com, and the website of NSDL, www.nsdl.com within two days of receiving the Scrutiniser's Report and communication of the same to the Stock Exchanges and will also be displayed on the notice board at the registered office of the Company.
- g) The resolutions, if passed by a requisite majority, shall be deemed to be passed on the date of the Annual General Meeting.
- h) Documents pertaining to all the items of business to be transacted at the Annual General Meeting are open for inspection at the Registered Office of the Company during 11.00 a.m. to 4.00 p.m. on all working days upto and including the date of the Annual General Meeting.

Registered Office :

P-104 Taratala Road
Kolkata 700 088

August 19, 2020

By Order of the Board of Directors

Vesuvius India Limited

Vikram Singh
Company Secretary
(ACS 16381)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND FORMING A PART OF THIS NOTICE

ITEM 3 : Appointment of Mr Subrata Roy as Managing Director

With the sudden demise of Mr Ritesh Dugarwal, Managing Director of the Company, in the morning of August 19, 2020, his office as Director and Managing Director ceased from that day. The Nomination & Remuneration Committee and the Board of Directors had immediately convened a meeting on the same day, i.e. August 19, 2020, and after discussion appointed Mr Subrata Roy (DIN No. 07046994) as Managing Director of the Company effective from August 19, 2020 to ensure continuity of supervision and operation. This appointment was made subject to the approval of the Members at the ensuing Annual General Meeting and will be for a period of two years effective from August 19, 2020. Mr Subrata Roy's appointment will be liable to retire by rotation.

Mr Subrata Roy, aged 54 years, is a Mechanical Engineer from Jadavpur University, Kolkata, and worked with Bharat Heavy Electricals Ltd. for five years prior to joining Vesuvius India in September, 1993. Over the last two and half decades, Mr Roy has had numerous roles within the Company. He was the Managing Director from January 1, 2015 to December 31, 2018 and thereafter Operations Director for the Company. He was the Chief Executive - Operations for two and half years immediately before being appointed on January 1, 2015 as the Managing Director. Earlier, he held the responsibilities of Engineering Manager of the Kolkata Plant, Slidegates Business Manager for Asia Pacific and then General Manager - Flow Control Business. He was an integral part of the team that set up the Company's first factory at Kolkata and he had also supervised the construction of the Company's second factory at Visakhapatnam and expansions at the Kolkata and Visakhapatnam plants. Mr Roy brings with him rich experience and knowledge in engineering, manufacturing, technology, commercial activities and business strategy through his extensive interactions in India and with the Vesuvius Group.

Mr Roy is Member of the Corporate Social Responsibility Committee, Risk Management Committee and Share Transfer & Stakeholders Grievance & Relationship Committee of the Company and is not a member of any other committees in India or abroad. He is a Director of VESV Distribution Private Limited and Indian Refractory Makers Association. Mr Roy does not hold any shares of the Company and is not related to any Promoter, Director or Key Managerial Personnel of the Company or their relatives.

An Agreement dated August 19, 2020 has been executed between the Company and Mr Subrata Roy setting out the terms and remuneration payable to him, subject to the limit prescribed in section 197 read with Schedule V of the Companies Act, 2013, and his remuneration is summarised as follows -

Items	Remuneration
Period of employment	From August 19, 2020 to August 18, 2022
Basic Salary	Rs 40,93,080 per annum or such sum not exceeding Rs 60,00,000 per annum as may be determined by the Board.
House Rent and other Allowances	Rs 61,39,620 per annum or such sum not exceeding Rs 90,00,000 per annum as may be determined by the Board.
Management Bonus and Incentive	As per Rules of the Company applicable to Whole-time Directors. Presently Annual Incentive Plan Rs 15,34,905 and Mid Term Incentive Plan Rs 15,34,905
Benefits & Perquisites	Rs 12,20,130 per annum or such sum not exceeding Rs 20,00,000 per annum as may be determined by the Board.
Commission on Profits	Mr Subrata Roy will not be entitled to commission on net profits
Retiral Funds	Provident Fund, Gratuity and Superannuation as per Rules of the Company

Contribution to Provident Fund, Gratuity Fund and Superannuation Fund and encashment of leave at the end of the tenure will not be considered or included for the computation of ceiling on remuneration, perquisites and benefits. Mr Roy will not be entitled to any compensation for loss of office under section 202 of the Companies Act, 2013.

The total remuneration payable to Mr Roy will be within the overall limits prescribed in section 197 read with Schedule V of the Companies Act, 2013, as amended from time to time. However, if during the currency of his tenure, the Company has no profits or its profits are inadequate in any financial year, Mr Roy shall be entitled, subject to the approval of the

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND FORMING A PART OF THIS NOTICE (Contd.)

Central Government, if required, to the same remuneration by way of basic salary, house rent and other allowances, bonus, incentive, perquisites and benefits as may be approved by the Board from time to time and within the overall limits specified above. The appointment may be terminated by either party giving to the other three months' notice in writing or such shorter period as may be decided by the Board.

The Agreement dated August 19, 2020 sets out the mutual rights and obligations of the Company and Mr Subrata Roy. A copy of the Agreement will be available for inspection of Members at the Registered Office of the Company between 11.00 a.m. and 4.00 pm on all working days upto and including the date of the Annual General Meeting.

A notice in writing pursuant to the requirements of Section 160 of the Companies Act, 2013 has been received by the Company from a Member recommending the appointment of Mr Subrata Roy as a Director of the Company.

The Nomination and Remuneration Committee as well as the Board of Directors recommend the appointment of Mr Subrata Roy (DIN No. 07046994) as Director and Managing Director of the Company. The Board is of the opinion that Mr Subrata Roy has rich experience and knowledge in engineering, manufacturing, technology and commercial activities, and a person of high integrity and he fulfils the criteria specified in the Companies Act, 2013 read with the rules made thereunder and also with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as a Director and Managing Director of the Company.

None of the Promoters, Directors, Key Managerial Personnel or their relatives is concerned or interested in the resolutions.

Additional information in respect of his appointment pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards which has been given below forms a part of this Notice.

ITEM 4 : Appointment of Mr Thiago Da Costa Avelar as Director

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on February 21, 2020 has appointed Mr Thiago Da Costa Avelar (DIN No. 08697241), a Director of the Company effective from February 21, 2020 in the casual vacancy caused by the resignation of Mr Jan Roel van der Sluis (DIN No. 08276227). Mr Avelar ceases to be a Director of the Company at the ensuing Annual General Meeting and it is proposed to appoint him a Director of the Company for which this resolution has been proposed in the Notice.

Mr Thiago Da Costa Avelar is the President-Advanced Refractories of the Vesuvius Group and had joined the Group in 2019. Mr. Avelar is from Brazil and an Engineer by qualification with relevant experience in the steel industry with deep knowledge of refractory product application with customer value-in-use proposal on sound business plans, such as, product specification, price management, promotional activity and availability, direction and support provision to client projects (technical support). He possesses broad experience in project management and collaboration skills, with the ability to bridge cultural and conceptual differences allowing the establishment of a true partnership with key stakeholders, identifying and sizing business innovation opportunities.

Mr Avelar is not a Director of any other company in India. He is a member of the Audit Committee of the Company and is not a member of any other Committee in India. He does not hold any shares of the Company. He is Director of two companies abroad namely Vesuvius (V.E.A.R.) S.A and Vesuvius Refractorios de Chile SA. He is not related to any Promoter, Director or Key Managerial Personnel of the Company or their relatives.

The Nomination and Remuneration Committee as well as the Board of Directors recommends the appointment of Mr Thiago Da Costa Avelar (DIN No. 08697241), as a Director of the Company. His appointment will be liable to retire by rotation.

None of the Promoters, Directors, Key Managerial Personnel or their relatives is concerned or interested in the resolution.

Additional information in respect of his appointment pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards which has been given below forms a part of this Notice.

ITEM Nos 5 & 8 : Appointment of Miss Nayantara Palchoudhuri as Director and Re-Appointment as Independent Director

At the Extra Ordinary General Meeting held on March 27, 2015, Miss Nayantara Palchoudhuri (DIN No. 00581440) had been appointed an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act,

2013 (“Act”) for a period of five consecutive years with effect from March 27, 2015. Her appointment complied with the requirement of having a Woman Director on the Board of Directors of the Company. Her term of office as Independent Director had ceased on March 26, 2020.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, have appointed Miss Nayantara Palchoudhuri as an Additional Director effective from March 27, 2020 and her term as Additional Director will cease at the ensuing Annual General Meeting. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, is recommending her re-appointment as a Director and as an Independent Director of the Company for a further period of five consecutive years with effect from the date of the Annual General Meeting and during this term her period of office as an Independent Director shall not be liable to retirement by rotation. Her appointment as a Director will need an Ordinary Resolution and her re-appointment as Independent Director will need a Special Resolution.

A notice in writing pursuant to the requirements of Section 160 of the Companies Act, 2013 has been received by the Company from a Member recommending the re-appointment of Miss Nayantara Palchoudhuri as a Director and Independent Director of the Company.

Miss Nayantara Palchoudhuri is a fourth generation Tea Planter with more than 25 years experience in the operations and management of the tea estates in North Bengal. She is a B.A. (Hons) in Political Science from University of Jadavpur with a First Class First and was awarded the University Gold Medal and the National Scholarship; an M.A. in Development Studies from the School of Oriental and African Studies –SOAS-(University of London) and M.Phil (Research Degree) from the London School of Economics & Political Science (LSE) where she was awarded the Metcalfe Scholarship. She served as a Member of the Senate of University of Calcutta. She is presently serving as the Honorary Consul for Norway in the Eastern Region looking after their trade development and consular matters and also Vice Chairperson of India Tea Association, Vice Chairperson (Additional) and Council Member of Tea Research Association, Member of National Tea Committee and Chairperson of the West Bengal Regional Committee of the Indian Tea Association..

She is a Whole-time Director of Washabarie Tea Co Pvt Ltd and also a Director of the companies mentioned in the Additional Information at the end of this Notice and a Partner of Mohurgong & Gulma Tea Estates. She is a Member of the following Committees of companies in India :

Name of Company	Committee Name	Nature of Membership
Rossel India Limited	1. Nomination and Remuneration Committee	Chairperson
	2. Audit Committee	Member
	3. Shareholder Relationship Committee	Member
Ludlow Jute & Specialties Ltd	1. Audit Committee	Member
	2. Corporate Social Responsibility Committee	Member
	3. Shareholder Relationship Committee	Member
JSW Bengal Steel Limited	1. Audit Committee	Member
	2. Nomination and Remuneration Committee	Member
	3. Finance Committee	Member
Amba River Coke Limited	1. Audit Committee	Member
	2. Nomination and Remuneration Committee	Member
Tide Water Oil Co (India) Ltd	Corporate Social Responsibility Committee	Chairperson
Vesuvius India Limited	1. Audit Committee	Member
	2. Corporate Social Responsibility Committee	Member
	3. Nomination & Remuneration Committee	Member
	4. Share Transfer and Stakeholders Grievance & Relationship Committee	Member
	5. Risk Management Committee	Member

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND FORMING A PART OF THIS NOTICE *(Contd.)*

She is the Past and First Lady President of the 125 year old Bengal National Chamber of Commerce and Industry (BNCCI) and Past President of Indo British Scholars Association. She is associated with several social Associations and has held several responsibilities including as first Lady District Governor of Rotary International (District 3291), Member of the Advisory Committee of the Indian Council for Cultural Relations, Kolkata (ICCR), International Vice-Chair of the London School of Economics Alumni Association, and State Co-Convenor of Indian National Trust for Art and Cultural Heritage (INTACH) - the leading heritage conservation organisation in the country.

Miss Palchoudhuri does not hold any shares of the Company, nor is she related to any Promoter or Director or Key Managerial Personnel of the Company or their relatives and has confirmed that she complies with all the requirements and criteria making her eligible to be re-appointed as an Independent Director.

The Nomination and Remuneration Committee as well as the Board of Directors recommends the appointment of Miss Nayantara Palchoudhuri as Director and also her re-appointment as an Independent Director of the Company for a second term. Her re-appointment as Independent Director is required to be passed as a Special Resolution. Miss Nayantara Palchoudhuri has registered in the Independent Director's Databank of the Indian Institute of Corporate Affairs. The Board is of the opinion that Miss Nayantara Palchoudhuri is a person of high integrity, has relevant expertise and experience to hold the office of an Independent Director of the Company and she fulfils the criteria specified in the Companies Act, 2013 read with the rules made thereunder and also with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her re-appointment as an Independent Director of the Company.

None of the Promoters, Directors, Key Managerial Personnel or their relatives is concerned or interested in the resolutions.

Additional information in respect of her re-appointment pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards which has been given below forms a part of this Notice.

ITEM Nos 6 & 9 : Appointment of Mr Biswadip Gupta as Director and Re-Appointment as Independent Director

At the Annual General Meeting held on May 7, 2015, Mr Biswadip Gupta (DIN No. 00048258) was appointed an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 ("Act") for a period of five consecutive years with effect from May 7, 2015. His term of office as an Independent Director has ceased on May 6, 2020.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, have appointed Mr Biswadip Gupta as an Additional Director effective from May 7, 2020 and his term as Additional Director will also cease at the ensuing Annual General Meeting. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, are recommending the re-appointment of Mr Biswadip Gupta as a Director and an Independent Director of the Company for a further period of five consecutive years with effect from the date of this Annual General Meeting and during this term his period of office as an Independent Director shall not be liable to retirement by rotation. His appointment as a Director will need an Ordinary Resolution and his re-appointment as Independent Director will need a Special Resolution.

A notice in writing pursuant to the requirements of Section 160 of the Companies Act, 2013 has been received by the Company from a Member recommending the re-appointment of Mr Biswadip Gupta as a Director and an Independent Director of the Company.

Mr Biswadip Gupta, aged about 69 years, is a BE(Metallurgy) and MBA and has about 47 years experience in the steel and refractory industry. He has received extensive training worldwide in the refractory making industry during his 20 years association with the Vesuvius Group, UK, before being associated with Vesuvius India. Since 1979 he was the Consultant Director, Indian Operations of Vesuvius Corporation SA, Switzerland. Mr Gupta had joined the Company as a Director in 1991 and was the Managing Director from 1992 upto April 17, 2007 and thereafter continued as a non-executive Director. He became Chairman from July, 2013. He had been instrumental in setting up of the Indian operations.

Mr Gupta was formerly President of Bengal Club Limited and President of Bengal Chamber of Commerce and Industry. He was Deputy Chairman of the Indian Refractory Makers Association and Chairman of CII (Eastern Region). He is presently

a Director of the companies mentioned in the Additional Information at the end of this Notice, and Director of JSW Shakti Foundation. He is a member of the following Committees of companies in India:

Name of the Company	Name of Committee	Nature of Membership
JSW Bengal Steel Ltd	1. Audit Committee	Member
	2. Project Review Committee	Member
	3. Nomination & Remuneration Committee	Member
	4. Project Review Committee	Member
JSW Cement Limited	Project Review Committee	Member
Vesuvius India Limited	1. Audit Committee	Chairman
	2. Corporate Social Responsibility	Chairman
	3. Nomination & Remuneration Committee	Member
	4. Share Transfer and Stakeholders Grievance & Relationship Committee	Chairman
	5. Risk Management Committee	Chairman

Mr Biswadip Gupta holds 3,749 shares in the Company. He is not related to any Promoter or Director or Key Managerial Personnel of the Company or their relatives and complies with all the requirements and criteria making him eligible to be re-appointed as a Director and an Independent Director.

The Nomination and Remuneration Committee as well as the Board of Directors recommends the re-appointment of Mr Biswadip Gupta as a Director and an Independent Director of the Company for a second term. Mr Biswadip Gupta has registered in the Independent Director's Databank of the Indian Institute of Corporate Affairs. The Board is of the opinion that Mr Biswadip Gupta is a person of high integrity and has immense knowledge in the field of refractories and steel industry, has relevant expertise and experience to hold the office of an Independent Director of the Company and he fulfils the criteria specified in the Companies Act, 2013 read with the rules made thereunder and also with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as a Director and an Independent Director of the Company.

None of the Promoters, Directors, Key Managerial Personnel or their relatives is concerned or interested in the resolutions.

Additional information in respect of his re-appointment pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards which has been given below forms a part of this Notice.

ITEM 7 : Appointment of Mr Henry James Knowles as Director

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on June 3, 2020 has appointed Mr Henry James Knowles (DIN No. 08751453), a Director of the Company effective from June 3, 2020 in the casual vacancy caused by the resignation of Mr Tanmay Kumar Ganguly (DIN No. 01272338). Mr Knowles ceases to be a Director of the Company at the ensuing Annual General Meeting and it is proposed to appoint him a Director of the Company for which this resolution has been proposed in the Notice.

Mr Henry James Knowles is General Counsel and Company Secretary of Vesuvius plc, the ultimate holding company, and had joined the Group in September 2013. Mr. Knowles is from England and has more than 25 years experience as a corporate lawyer working with public listed companies. He trained in London and practiced in London and Tokyo.

Mr Knowles is not a Director of any other company in India. He is a member of the Corporate Social Responsibility Committee, Risk Management Committee and Share Transfer and Stakeholders Grievance & Relationship Committee of the Company and is not a member of any other Committee in India. He does not hold any shares of the Company. He is a Director of 37 companies abroad, a list of which has been given in the Additional Information at the end of this Notice. He is not related to any Promoter, Director or Key Managerial Personnel of the Company or their relatives.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND FORMING A PART OF THIS NOTICE *(Contd.)*

The Nomination and Remuneration Committee as well as the Board of Directors recommends the appointment of Mr Henry James Knowles (DIN No. 08751453), as a Director of the Company. His appointment will be liable to retire by rotation.

None of the Promoters, Directors, Key Managerial Personnel or their relatives is concerned or interested in the resolution.

Additional information in respect of his appointment pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards which has been given below forms a part of this Notice.

ITEM No 10 : Approval of remuneration of Cost Auditors

The Board of Directors on the recommendation of the Audit Committee, at their meeting held on February 21, 2020 have re-appointed M/s Jithendra Kumar & Co, Cost Accountants, of Vijaywada (Firm registration no. 103347) as Cost Auditors of the Company for the financial year ended on December 31, 2020. The remuneration of the Cost Auditors had been fixed at Rs 100,000 plus GST, if applicable, and out of pocket expenses at actuals.

Section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014 require that the remuneration of the Cost Auditor should be ratified subsequently by the Members of the Company and hence this resolution is proposed to be passed by the Members.

The consent letter of M/s Jithendra Kumar & Co, Cost Accountants, will be available for inspection of Members at the Registered Office of the Company between 11.00 a.m. and 4.00 p.m. on all working days upto and including the date of the Annual General Meeting.

The Board of Directors recommends the resolution be passed.

None of the Promoters, Directors, Key Managerial Personnel or their relatives is concerned or interested in the resolution.

Registered Office :

P-104 Taratala Road
Kolkata 700 088
August 19, 2020

By Order of the Board of Directors

Vesuvius India Limited

Vikram Singh
Company Secretary
(ACS 16381)

Additional Information of Directors seeking appointment or re-appointment at the forthcoming Annual General Meeting as mentioned in Item Nos 3 to 9 of this Notice
[in pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards]

Name of Director	Mr Subrata Roy	Mr Thiago Da Costa Avelar	Miss Nayantara Palchoudhuri	Mr Biswadip Gupta	Mr Henry James Knowles
Item No. of the Notice	3	4	5 & 8	6 & 9	7
DIN Number	07046994	0008697241	00581440	00048258	08751453
Age (in years)	54	39	58	69	51
Qualification	Engineer	Engineer	MA, M Phil	Engineer	Company Secretary & Law
Date of first Board appointment	19.08.2020	21.02.2020	27.03.2015	07.09.1991	03.06.2020
Expertise in specific functional areas	Engineering, Business Strategy, Operations, Marketing	Refractory Business, Marketing	Business Strategy, Human Resources, CSR	Refractory Business, Finance	Legal, Company Secretarial, Corporate Governance
Remuneration last drawn as Director	Nil	Nil	Rs 16,40,000	Rs 19,40,000	Nil
Shares held in the Company	Nil	Nil	Nil	3,749	Nil
Relationship with other Directors in the Company	None	None	None	None	None
Directorship held in other Companies - In India	Indian Refractory Makers Association & VESV Distribution Private Ltd	Nil	Washabarie Tea Co Pvt Ltd, West Bengal Tea Development Corporation Ltd, Rossell India Ltd, Ludlow Jute & Specialities Ltd, JSW Bengal Steel Ltd, Amba River Coke Ltd, Tide Water Oil Co (India) Ltd, Nicco Parks & Resorts Ltd, Titagarh Wagons Ltd	DESCON Ltd, Dishergarh Infrastructure Development Pvt Ltd, Gourangdih Coal Limited, JSW Bengal Steel Ltd, JSW Energy (Bengal) Ltd, JSW Natural Resources Bengal Limited, JSW Natural Resources India Limited, JSW Jharkhand Steel Ltd, JSW Cement Ltd	Nil
Directorship held in other Companies -Abroad	Nil	Vesuvius (V.E.A.R.) S.A & Vesuvius Refractorios de Chile SA	Nil	Nil	Brazil 1 Ltd, Foseco (GB) Ltd, Foseco (Jersey) Ltd, Foseco (MRL) Ltd, Foseco (RUL) Ltd, Foseco Holding (Europe) Ltd, Foseco Holding BV, Foseco Holding International Ltd, Foseco Holding Ltd, Foseco International Ltd, Foseco Ltd, Foseco Pension Fund Trustee Ltd, Foseco Steel (Holdings) China Ltd, Foseco Technology Ltd, Foseco Transnational Ltd, Mainsail Insurance Company Ltd, Minerals Separation Ltd, Newsshelf 480 Proprietary Ltd, Tamworth UK Ltd, Unicorn Industries Ltd, Vesuvius Ceramics Ltd, Vesuvius China Ltd, Vesuvius Financial 1 Ltd, Vesuvius Holding France SAS, Vesuvius Holdings Ltd, Vesuvius Investments Ltd, Vesuvius Life Plan Trustee Ltd, Vesuvius Management Ltd, Vesuvius Minerals Ltd, Vesuvius Overseas Investments Ltd, Vesuvius Overseas Ltd, Vesuvius Pigments (Holdings) Ltd, Vesuvius UK Ltd, Vesuvius VA Ltd, Vesuvius Zyalons Holdings Ltd, Wilkes-Lucas Ltd

By Order of the Board of Directors

Vesuvius India Limited

Vikram Singh
Company Secretary
(ACS 16381)

Registered Office :

P-104 Taratala Road
Kolkata 700 088
August 19, 2020

REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

for the year ended on December 31, 2019

The Directors have pleasure in submitting their Annual Report together with the Audited Financial Statements for the year ended on December 31, 2019.

Financial Results:	Year ended 31.12.2019	Year ended 31.12.2018
Revenue from Operations	88,704	92,507
Other Income	2,923	2,277
Total Revenue	91,627	94,784
Profit before Depreciation, Interest & Tax (PBDIT)	14,996	17,018
Depreciation & Amortisation	2,655	2,781
Interest	-	-
Profit before Tax	12,341	14,237
Provision for Income Tax	3,786	4,985
Profit for the year after Tax	8,555	9,252
Other comprehensive income for the year, net of tax	(176)	88
Total comprehensive income for the year	8,379	9,340
Transfer to Reserves:	Nil	Nil
Proposed Dividend:		
Proposed Dividend @ Rs 8.74 per share	1,774	1,421
Basic & Diluted Earnings Per Share:	42.15	45.59
Disclosures under Regulation 34(3) read with Schedule V Clause B of SEBI (LODR)		
(i) Debtors Turnover Ratio	4.75	4.10
(ii) Inventory Turnover Ratio	6.88	7.40
(iii) Interest Coverage Ratio	N.A.	N.A.
(iv) Current Ratio	4.92	4.23
(v) Debt Equity Ratio	N.A.	N.A.
(vi) Operating Profit Margin (%)	11 %	13 %
(vii) Net Profit Margin (%)	10 %	10 %
(viii) Return on Net Worth (%)	12 %	16 %

Financial Year of the Company

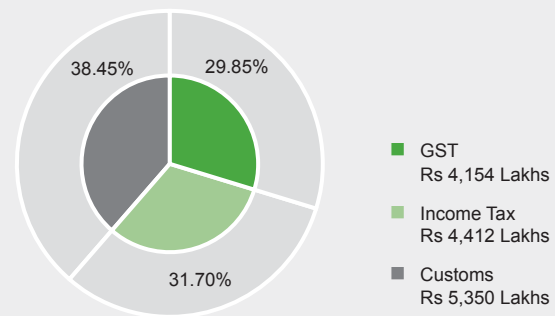
The Company Law Board by an Order dated January 7, 2016 has permitted the Company to have the Financial Year to end on 31st December of each year.

Operating & Financial Performance, Internal Control

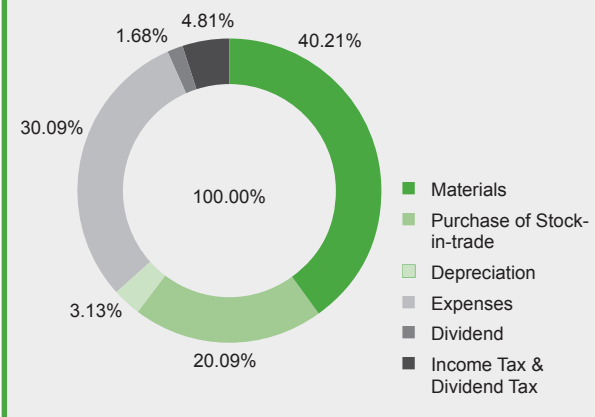
Due to softening of global demand leading to drop in exports to Vesuvius Group companies, Revenue from Operations in 2019 dropped by about 4%. However, Revenue from Indian Operations in 2019 increased by over 3% as compared to 2018.

There has been no change in the nature of the business of the Company. The Company has no subsidiaries therefore disclosures in this regard are not provided in this Report of the Directors. There were no significant and material orders passed by regulators or courts or tribunals impacting the

Contribution to Government Exchequer 2019



How the Rupee was Spent



going concern status and Company's operations in future. In preparation of the financial statements, there has been no treatment different from the Accounting Standards.

All four factories worked efficiently during the year. Energy efficient installations have been made at these factories. Safety measures and processes have been installed and improved upon at all plants and work sites.

The Company has in place an established internal control system designed to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. Code on Internal Control which requires that the Directors review the effectiveness of internal controls and compliance controls, financial and operational risks, risk assessment and management systems and related party transactions, have been complied with. Self-certification exercises are

also conducted under which senior management certify effectiveness of the internal control system, their adherence to Code of Conduct and Company's policies for which they are responsible, financial or commercial transactions, if any, where they have personal interest or potential conflict of interest. Internal Audit is conducted on a pan-India basis. Company's Policies and the Code of Conduct and CORE Values and Behaviours applicable to Directors and Employees of the Company have been complied with during the year. A list of these Policies which are available on the Company's website www.vesuviusindia.com, is mentioned later in this Report of the Directors.

Dividend

The Board of Directors are pleased to recommend a dividend of Rs. 8.74 per Equity Share of nominal value of Rs 10/- each. The dividend will entail a cash outflow of Rs 1,774 lakhs (previous year Rs 1,713 lakhs including dividend distribution tax). If declared by the Shareholders at the forthcoming Annual General Meeting, dividend will be deposited with the bank within May 5, 2020 and dividend will be paid within May 11, 2020.

Group Activities

Vesuvius plc, the ultimate holding company, is listed on the London Stock Exchange and is a global leader in metal flow engineering, principally serving the steel and foundry industries.

Vesuvius has developed close, collaborative relationships with customers together with an extended global manufacturing network aligned with customer locations. Vesuvius has 89 sales offices, 59 production sites and 7 R&D centres of excellence spread globally across 6 continents. Vesuvius has invested in developing unique competency in robotic solutions which improve the safety and consistency of our customers' operations. Vesuvius further developed capabilities in digital services with a focus on providing complete solution for the collection and analysis of data to improve efficiency of their continuous casting process and continued to develop the mould flux business. Vesuvius has focused in R&D activities and investments have been made to support long-term profitable growth and extending help to our customers in value creation.

Vesuvius Group Chairman, Mr John McDonough, visited India in June 2019 whereas members of the General Executive Council of Vesuvius Group visited the Kolkata Plant in November 2019 and had meaningful deliberations and interactions with the local management team and other employees. They emphasised the importance of Indian operations and contributions thereof and reiterated their commitment for their support to the Indian operations.

Vesuvius has articulated the following five key execution priorities which will enable it to achieve its core objectives

of delivering long term sustainable profitability and creating shareholder value:

- Reinforce our technology leadership
- Increase the penetration of our value-creating solutions
- Capture the growth in developing markets
- Improve our cost leadership and margins
- Develop our Technical Service Offering

The Vesuvius Group has been extremely supportive of their Indian operations and continues to provide constant support in terms of technology, research and development, systems, manufacturing, etc.

ISO Certification

The Company's factories at Kolkata and Visakhapatnam have been certified ISO 9001:2015 for Quality Management Systems Standards.

Segmentwise performance

The Company is primarily a manufacturer and trader of refractory and is managed organizationally as a single unit. Accordingly, the Company is a single business segment company. Geographical (secondary) segment has been identified as domestic sales and exports. Details of segment reporting are available in the Annual Accounts.

Industry Structure & Developments, Opportunities & Threats, Outlook, Risks & Concerns

India's crude steel production in 2019 stood at 111.25 million tons as compared to final figures for 2018 at 109.27 million tons i.e. growth of 1.8%. Consumption of steel in India grew by 4.9% in 2019 as compared to 8% in 2018. Export of steel has increased by 24% to 10.41 million tons in 2019. Suboptimal demand for commercial vehicles and white goods had overall adverse impact on steel industry. Indices like PMI and IIP also indicate subdued business scenario prevailing in 2019.

Steel and foundry industry comprise the biggest group of our customers. These are also cyclic in nature. Hence anything that affects the steel and foundry industry will have its one off effect on our business also. Since refractory industry go along with the steel industry, few initiatives by the Government targeted at steel industry may have a positive impact on refractory industry as well. Few of such initiatives with regard to the steel industry are inter alia, introduction of Steel Scrap Recycling Policy aimed to reduce import, export duty of 30 per cent levied on iron ore (lumps and fines) to ensure supply of iron ore to domestic steel industry, Government of India's focus on infrastructure and restarting road projects which may boost demand for steel, setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead

REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

research and development activities in the iron and steel industry and anti-dumping and safeguard duties on iron and steel items, etc.

One of the largest global steel manufacturers, with whom Vesuvius Group has significant business relationship globally, has entered Indian steel market consequent to the acquisition of one of our customers post the completion of insolvency proceedings against such customer.

There is a continuous process of risk identification, review and mitigation thereof. Overall there has been no significant change in the risks identified and uncertainties during the year apart from making some adjustment due to certain emerging macro trends during the year. These inter alia include risk of business interruption due to many reasons attributable to external factors, end market risk due to economic downturn, demand softening and consolidation in steel industry, raw material sourcing, attraction and retention of staff, issues around health, safety and environment, product failure/ quality and failure to secure innovation and continuously changing regulatory landscape. The list above is not exhaustive (some risks are not yet known and some currently not deemed to be material, could become so).

In 2019, we continued to improve service life of our products, quality of our services and reduce waste in customer manufacturing processes thereby increasing their overall operational efficiency. We also continued our efforts to reduce waste and energy consumption in our own manufacturing processes.

Board of Directors

Mr Tanmay Ganguly (DIN No.01272338), Director of the Company, is due to retire by rotation at the ensuing Annual General Meeting. Mr Ganguly had been the President -Advanced Refractories of the Vesuvius Group and has now moved to a different role as President-Business Development. He operates from the United Kingdom. Mr Ganguly has confirmed and declared that he is qualified to act as a Director of the Company and being eligible has offered himself for re-appointment as a Director of the Company. The Board of Directors are also of the opinion that Mr Ganguly is a person of high integrity, has relevant expertise and experience and fulfils all the criteria specified in the Companies Act, 2013 and rules thereon and all the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 making him eligible to be re-appointed as Director. Mr Ganguly is not a Director of any other company in India. He is a member of all the Committees of the Board of Directors. He does not hold any shares of the Company and is not related to any Promoter or Director or Key Managerial Personnel of the Company. Additional information about Mr Ganguly and a resolution proposing his re-appointment are mentioned in the Notice convening the ensuing Annual General Meeting of the Company.

The Nomination and Remuneration Committee as well as the Board of Directors recommend the re-appointment of Mr Ganguly as a Director of the Company.

Mr Jan Roel van der Sluis (DIN No.08276227) who was the President-Flow Control of the Group, had resigned from the Group and accordingly resigned from the Company where he was nominated to be a Director. He resigned from the Company effective from December 26, 2019. The Board acknowledges the contributions made by Mr van der Sluis to the Company.

At the Board meeting held on February 21, 2020, on the recommendation of the Nomination and Remuneration Committee, Mr Thiago Da Costa Avelar (DIN No. 0008697241), has been appointed a Director in the casual vacancy caused by the resignation of Mr Jan Roel van der Sluis. Mr Thiago Da Costa Avelar is the President-Advanced Refractories of the Vesuvius Group and had joined the Group in 2019. He is from Brazil and an Engineer by qualification with relevant experience in the steel industry with deep knowledge of refractory product application with customer value-in-use proposal on sound business plans, such as, product specification, price management, promotional activity and availability, direction and support provision to client projects (technical support). He possesses broad experience in project management and collaboration skills, with the ability to bridge cultural and conceptual differences allowing the establishment of a true partnership with key stakeholders, identifying and sizing business innovation opportunities. He is not a Director of any other company in India and is not a member of any Committee in India. He is a Director in two Group companies abroad namely Vesuvius (V.E.A.R.) S.A., Argentina and Vesuvius Refractorios de Chile SA, Chile. He does not hold any shares of the Company.

The Board of Directors are also of the opinion that Mr Da Costa Avelar is a person of high integrity, has relevant expertise and experience and fulfils all the criteria specified in the Companies Act, 2013 and rules thereon and all the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 making him eligible to be appointed as Director and also feel that the presence of the President-Advanced Refractories on the Board of the Company would bring immense benefits to the Indian management and operations. Additional information about Mr Thiago Da Costa Avelar and a resolution proposing his appointment, are mentioned in the Notice convening the ensuing Annual General Meeting of the Company.

Miss Nayantara Palchoudhuri (DIN No. 00581440) had been appointed Independent Director of the Company for a period of five consecutive years from March 27, 2015 and her term of office as an Independent Director will cease on March 26, 2020. On the recommendation of the Nomination and Remuneration Committee, Miss Nayantara Palchoudhuri

has been appointed a Director of the Company effective from March 27, 2020 and is proposed to be re-appointed an Independent Director of the Company for a second term of five years effective from April 30, 2020 for which a special resolution has been placed in the Notice convening the Annual General meeting.

Miss Nayantara Palchoudhuri is a fourth generation Tea Planter with more than 25 years of experience in the operations and management of the tea estates in North Bengal. She is a B.A. (Hons) in Political Science from University of Jadavpur with a First Class First and was awarded with the University Gold Medal and the National Scholarship. She is also an M.A. in Development Studies from the School of Oriental and African Studies –SOAS- (University of London) and M.Phil. (Research Degree) from the London School of Economics & Political Science (LSE) where she was awarded with the Metcalfe Scholarship. She served as a Member of the Senate of University of Calcutta. She is presently serving as the Honorary Consul for Norway in the Eastern Region looking after their trade development and consular matters and also Vice Chairperson of India Tea Association, Vice Chairperson (Additional) and Council Member of Tea Research Association, Member of National Tea Committee and Chairperson of the West Bengal Regional Committee of the Indian Tea Association. She is the Past and First Lady President of the 125 year old Bengal National Chamber of Commerce and Industry (BNCCI) and Past President of Indo British Scholars Association. She is associated with several social Associations and has held several responsibilities including as first Lady District Governor of Rotary International (District 3291), Member of the Advisory Committee of the Indian Council for Cultural Relations, Kolkata (ICCR), International Vice-Chair of the London School of Economics Alumni Association, and State Co-Convenor of Indian National Trust for Art and Cultural Heritage (INTACH) - the leading heritage conservation organisation in the country.

She is a Wholtime Director of Washabarie Tea Co Pvt Ltd and also a Director of West Bengal Tea Development

Corporation Ltd, Rossell India Limited, Ludlow Jute & Specialities Limited, JSW Bengal Steel Limited, Amba River Coke Limited, Tide Water Oil Co (India) Limited, Nicco Parks & Resorts Limited and a Partner of Mohurgong & Gulma Tea Estates. Details of her Membership of Committees and additional information are mentioned in the Notice convening the Annual General Meeting.

The Nomination and Remuneration Committee as well as the Board of Directors recommend the appointment of Miss Nayantara Palchoudhuri as Director and her re-appointment as an Independent Director of the Company for a second term of five consecutive five years. Her re-appointment as Independent Director is required to be passed as a Special Resolution. Accordingly, a suitable special resolution has been placed in the Notice convening the Annual General Meeting regarding her re-appointment as Independent Director. Miss Nayantara Palchoudhuri has got herself registered in the Independent Director's Databank of the Indian Institute of Corporate Affairs. The Board is of the opinion that Miss Nayantara Palchoudhuri is a person of high integrity, has relevant expertise and experience to hold the office of an Independent Director of the Company and she fulfils the criteria specified in the Companies Act, 2013 read with the rules made thereunder and also with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her re-appointment as an Independent Director of the Company.

Mr Biswadip Gupta (DIN No. 00048258) was appointed an Independent Director of the Company for a period of five consecutive years with effect from May 7, 2015 and his term of office as an Independent Director will cease on May 6, 2020.

Mr Biswadip Gupta, aged about 69 years, is a BE (Metallurgy) and MBA and has about 47 years' experience in the steel and refractory industry. He has received extensive training worldwide in the refractory making industry during his 20 years association with the Vesuvius Group, UK before being associated with Vesuvius India



Vesuvius Group Executive Council with Senior Management Team

REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

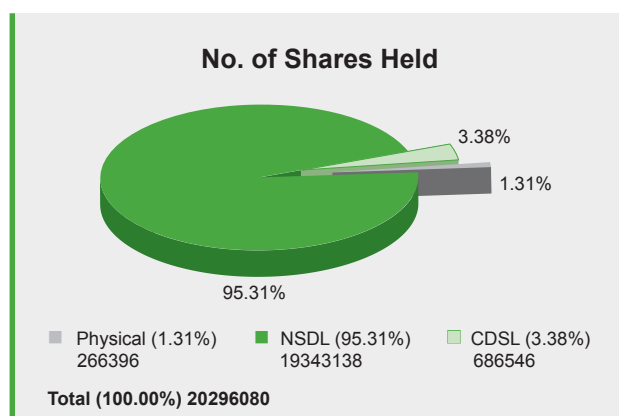
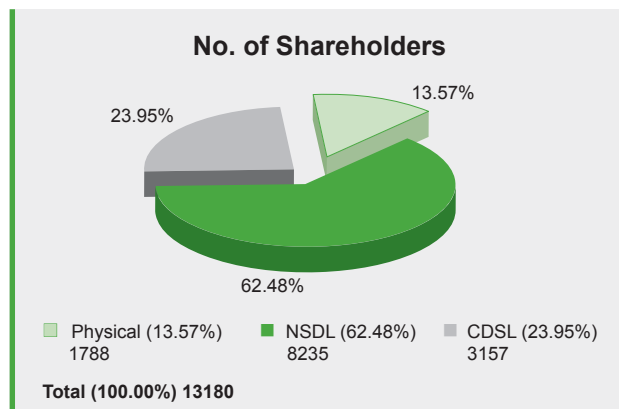
Limited. From the year 1979 he was the Consultant Director, Indian Operations of Vesuvius Corporation SA, Switzerland, until he joined the Company as a Director in 1991. He had been the Managing Director from 1992 up to 2007 and thereafter continued as a non-executive Director. He became Chairman of the Board of Directors of the Company from July 2013. He had been instrumental in setting up of the Indian operations.

Mr Gupta was formerly President of Bengal Club Limited and President of Bengal Chamber of Commerce and Industry. He was Deputy Chairman of the Indian Refractory Makers Association and Chairman of CII (Eastern Region). He is presently a Director of DESCON Ltd, Dishergarh Infrastructure Development Pvt Ltd, Gourangdih Coal Limited, JSW Bengal Steel Ltd, JSW Energy (Bengal) Ltd, JSW Natural Resources Bengal Limited, JSW Natural Resources India Limited, JSW Jharkhand Steel Ltd and JSW Cement Ltd. Details of his Membership of Committees and additional information are mentioned in the Notice convening the Annual General Meeting.

The Nomination and Remuneration Committee as well as the Board of Directors have recommend the re-appointment of Mr. Biswadip Gupta as an Independent Director of the Company for a second term of five consecutive five years. His re-appointment as Independent Director is required to be passed as a Special Resolution. Accordingly, a suitable special resolution has been placed in the Notice convening the Annual General Meeting regarding his re-appointment as Independent Director. Mr. Biswadip Gupta has got himself registered in the Independent Director's Databank of the Indian Institute of Corporate Affairs. The Board is of the opinion that Mr. Biswadip Gupta is a person of high integrity, has relevant expertise and experience to hold the office of an Independent Director of the Company and he fulfils the criteria specified in the Companies Act, 2013 read with the rules made thereunder and also with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Director of the Company.

Mr Biswadip Gupta, Mr Sudipto Sarkar and Miss Nayantara Palchoudhuri, Independent Directors of the Company, had a separate meeting on November 16, 2019 to conduct an evaluation of the performance of Independent Directors, individual directors, the Board and its Committees and assess the quality, quantity and timeliness of flow of information from the Company management to the Directors as well as an oversight of succession planning, risk management, internal controls and prioritization of strategic objectives and Board efficiency. The Board also conducted a similar evaluation exercise. Mr Sudipto Sarkar and Miss Nayantara Palchoudhuri met separately to evaluate and review the performance of the Chairman. The evaluation concluded that the Board continues to function effectively and remains well balanced and diverse with a strong mix of relevant skills, expertise and experience. The Directors have

furthered their knowledge and familiarisation by interacting with the General Executive Council of Vesuvius Group.



The Independent Directors have confirmed and declared that they are not disqualified to act as an independent director in compliance with the provisions of section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Directors are persons of high integrity, have relevant experience and expertise and fulfil the independence criteria and all the conditions specified in the Companies Act, 2013 and SEBI (LODR) making them eligible to act as Independent Directors.

All Directors, Key Managerial Personnel and senior management of the Company have confirmed compliance with the Code of Conduct applicable to the Directors and employees of the Company and the declaration in this regard made by the Managing Director is attached as **Annexure X** which forms a part of this Report of the Directors. The Code of Conduct is available on the Company's website www.vesuviusindia.com. All Directors have confirmed compliance with provisions of section 164 of the Companies Act, 2013.

The details of number and dates of meetings held by the Board and its Committees, attendance of Directors and remuneration paid to them is given separately in the attached Corporate Governance Report (**Annexure I**) which forms a part of this Report of the Directors.

Directors' Responsibility Statement

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of section 134(3) (c) read with section 134(5) of the Companies Act, 2013, and provisions of SEBI (LODR) and in the preparation of the annual accounts for the year ended on December 31, 2019 and state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Key Managerial Personnel

The following persons were the Key Managerial Personnel of the Company in compliance with the provisions of section 203 of the Companies Act, 2013 during the year ended on December 31, 2019:

- a) Mr Ritesh Dugarwal, Managing Director (wef 01.01.2019)
- b) Mr Taposh Roy, Company Secretary (up to 26.2.2019)
- c) Mr Vikram Singh, Company Secretary (wef 27.2.2019)
- d) Mr Sanjoy Dutta, Chief Financial Officer (up to 30.11.2019)
- e) Mr Sivasis Sen, Chief Financial Officer (wef 01.12.2019)

Corporate Governance

The Company has in place the SEBI regulations pertaining to Corporate Governance. During the year under consideration the Company had a seven member Board of Directors consisting of three independent directors, three non-executive directors representing the holding company

and the Managing Director. Mr Jan Roel van der Sluis had resigned from the Board effective from December 26, 2019.

The non-executive Directors representing the holding company have waived their commission on profits for the year and have not received any sitting fees for attending the meetings of the Directors. The Managing Director does not receive sitting fees for attending the meetings of the Board or any Committee thereof nor any commission on profits. The sitting fees paid to the Directors are within the limits prescribed under the Companies Act, 2013 and Rules thereon.

The Corporate Governance Report for the year ended on December 31, 2019, giving the details as required under Regulation 34(3) read with Clause C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI (LODR)”] is given separately as **Annexure I** and forms part of this Report of the Directors. The Corporate Governance Certificate for the year ended on December 31, 2019 issued by Mr Anjan Kumar Roy of M/s Anjan Kumar Roy & Co, Practicing Company Secretaries, Secretarial Auditor of the Company, is also attached as **Annexure II** and forms a part of this Report of the Directors. The certificate issued by Mr Anjan Kumar Roy of M/s Anjan Kumar Roy & Co, Practicing Company Secretaries pursuant to clause C(10)(i) of Schedule V read with regulation 34(3) of SEBI (LODR) confirming that none of the directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is given separately as **Annexure V** and forms a part of this Report of the Directors.

The Company has in place an Insider Trading Code for compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Company Secretary is the Compliance Officer responsible for compliance with the Insider Trading procedures. Details of securities transaction by insiders are placed before the Board of Directors of the Company and notified to the Stock Exchanges. The Company Secretary is also the Nodal Officer for the purpose of compliances relating to Investor Education and Protection Fund.

The Managing Director and the Chief Financial Officer have given their certificate under Regulation 17(8) read with Part B of Schedule II of SEBI (LODR) regarding the annual financial statements for the year ended on December 31, 2019 to the Board of Directors. The Managing Director has given his certificate under Regulation 34(3) read with Part D of Schedule V of SEBI (LODR) regarding compliance with the Code of Conduct of the Company for the year ended on December 31, 2019, which is attached as **Annexure X** and forms a part of this Report of the Directors.

REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

Audit Committee

The Audit Committee was constituted on October 24, 2000. The Committee as on December 31, 2019 comprises Mr Biswadip Gupta as Chairman and Mr Tanmay Ganguly, Miss Nayantara Palchoudhuri and Mr Sudipto Sarkar as Members. The Company Secretary is the Secretary of the Committee. The Managing Director and Chief Financial Officer are permanent invitees to the meeting. The Internal Audit reports, financial statements and details of all related party transactions are placed periodically before the Audit Committee. During the year there were no instances where the Board had not accepted the recommendations of the Audit Committee. The Company has in place a vigil mechanism details of which are available on the Company's website www.vesuviusindia.com. All persons have been given direct access to the Chairman of the Audit Committee to lodge their grievances. No personnel have been denied access to the Audit Committee to lodge their grievances.

The Audit Committee has also been delegated the responsibility for monitoring and reviewing risk management assessment and minimization procedures, implementing and monitoring the risk management plan and identifying, reviewing and mitigating all elements of risks which the Company may be exposed to.

The details of terms of reference of the Audit Committee, number and dates of meetings held, attendance of the Directors and remuneration paid to them during the year ended on December 31, 2019 are given separately in the attached Corporate Governance Report.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted on April 29, 2014. The Committee as on December 31, 2019 comprises Mr Biswadip Gupta as Chairman and Mr Tanmay Ganguly, Mr Ritesh Dugarwal, Miss Nayantara Palchoudhuri and Mr Sudipto Sarkar as Members. The Company Secretary is the Secretary of this Committee.

The Corporate Social Responsibility Policy is available on the Company's website www.vesuviusindia.com

The terms of reference of the Corporate Social Responsibility Committee, number and dates of meetings held, attendance of the Directors and remuneration paid to them during the year ended on December 31, 2019 are given separately in the attached Corporate Governance Report.

The Annual Report on Corporate Social Responsibility is attached as **Annexure IX**. Vesuvius is committed to positively contribute to the future of the planet by supporting education opportunities for children and youth, as well as those coming from disadvantaged background and especially encouraging more women into scientific / technical fields of education as well as to support in healthcare, hunger/poverty eradication and their welfare and such other activities covered under CSR Policy and Company believes that these CSR initiatives should be

sustainable and with the long term purpose of improving the quality of living for the less privileged and for increasing social assets. The funds should be carefully spent on CSR projects so that they result in the ultimate objectives meted out in the Company's CSR Policy. Meetings have been held with agencies in locations where the Company's factories are located and with those having pan-India presence to provide support to CSR projects. Employees at customer sites have also been made aware of opportunities for undertaking CSR projects locally and their proposed CSR projects are being reviewed. The Company has spent about Rs 158 lakhs on CSR activities during the year. There has been some delay in execution of CSR projects in the past on account of due diligence process to ensure that the benefit reaches the targeted recipient, however the Company has progressively increased its CSR spend significantly during the year on education, healthcare and welfare on existing CSR Projects and also added new projects approved by the Committee. There are several new projects under consideration and evaluation is being done on the basis of needs, justification of the spend, sustainability and the capability of these projects to improve social assets. The Company remains committed and is better prepared to meet its obligations related with CSR spend during the next financial year 2020.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on April 29, 2014 and the members as on December 31, 2019 are Mr Sudipto Sarkar as Chairman and Mr Biswadip Gupta, Mr Tanmay Ganguly and Miss Nayantara Palchoudhuri as Members. The Company Secretary is the Secretary of this Committee. The Managing Director is invited to attend all the meetings of this Committee.

The Company's Remuneration Policy prepared in accordance with section 178 of the Companies Act, 2013 is available on the Company's website www.vesuviusindia.com. The details of terms of reference of the Nomination and Remuneration Committee, number and dates of meetings held, attendance of the Directors and remuneration paid to them during the year ended on December 31, 2019 are given separately in the attached Corporate Governance Report which forms a part of this Report of the Directors.

Risk Management Committee

The Risk Management Committee was constituted on April 25, 2019 and the following are Members as on December 31, 2019:

DIRECTORS:

Mr Biswadip Gupta
Mr Ritesh Dugarwal
Mr Tanmay Ganguly
Miss Nayantara Palchoudhuri
Mr Sudipto Sarkar

SENIOR EXECUTIVES OF THE COMPANY:

Mr Subrata Roy, Operations Director
 Mr Sivasis Sen, Chief Financial Officer
 Mr Vikram Singh, Company Secretary

The Company's Risk Management Policy is available on the Company's website www.vesuviousindia.com. The details of terms of reference of the Risk Management Committee, number and dates of meetings held, attendance of the Directors and remuneration paid to them during the year ended on December 31, 2019 are given separately in the attached Corporate Governance Report which forms a part of this Report of the Directors.

Share Transfer and Stakeholders Grievance & Relationship Committee

The Share Transfer Committee was constituted on January 1, 1993 and was renamed The Share Transfer and Investor Grievance Committee on February 12, 2001. To comply with the requirements of the Companies Act, 2013 the name of the Committee was changed to Share Transfer and Stakeholders Grievance & Relationship Committee effective from April 29, 2014. The Members of the Committee as on December 31, 2019 are Mr Biswadip Gupta as Chairman, Mr Tanmay Ganguly, Mr Ritesh Dugarwal, Miss Nayantara Palchoudhuri and Mr Sudipto Sarkar as Members. The Company Secretary is the Secretary of this Committee. The Committee has delegated the responsibility for share transfers and other routine share maintenance work to the Company Secretary and to M/s C B Management Services (P) Ltd, the Registrars and Share Transfer Agents of the Company. All valid requests for dematerialisation and rematerialisation of shares, transfer or transmission of shares and other share maintenance matters are completed within 15 days of receipt of valid and complete documents. Minutes of the Committee meetings are circulated to all Directors and discussed at the Board meetings. The Committee also reports to the Board on matters relating to the shareholding pattern, shareholding of major shareholders, insider trading compliances, movement of share prices, redressal of complaints, reports on SCORES of SEBI, reports and certificates from Secretarial Auditor and electronic filings with the stock exchanges and with the Ministry of Corporate Affairs, compliances related to Investor Education and Protection Fund and all other compliances under the Companies Act, 2013 and SEBI (LODR). Details of the number and dates of meetings of this Committee which were held during the year ended on December 31, 2019, attendance of the Directors and remuneration paid to them are given separately in the attached Corporate Governance Report.

The shares of the Company are listed on the Bombay and National Stock Exchange. The Company's shares are compulsorily traded in the dematerialized form. The ISIN number allotted is **INE 386A01015**. The details of

shareholding pattern, distribution of shareholding and share prices are mentioned separately in the attached Corporate Governance Report. Only 2,66,396 shares, i.e. 1.31% of share capital, are held in physical mode by 1788 Shareholders as on December 31, 2019.

An application for delisting of the shares of the Company from BSE Limited had been made in May 2016 but delisting has not been completed by BSE Limited.

Investor Education and Protection Fund

A sum of Rs 5,37,988/- being dividend lying unclaimed for seven consecutive years out of the fifteenth dividend declared by the Company for the year ended on December 31, 2011 at the Annual General Meeting held on April 26, 2012 was transferred to the Investor Education and Protection Fund of the Central Government in May 2019, after giving several notices and reminders to the concerned shareholders.

Dividend which remains unclaimed out of the sixteenth dividend declared by the Company for the year ended on December 31, 2012 at the Annual General Meeting held on April 25, 2013 will be transferred to the Investor Education and Protection Fund ("IEPF") of the Central Government by June, 2020 pursuant to the provisions of section 124 and 125 of the Companies Act, 2013. Thereafter no claim shall lie on the Company for these unclaimed dividends. Shareholders will have to make their claims with the IEPF Authority following the appropriate procedures in this regard. Individual notices have already been sent to the shareholders concerned on January 31, 2020.

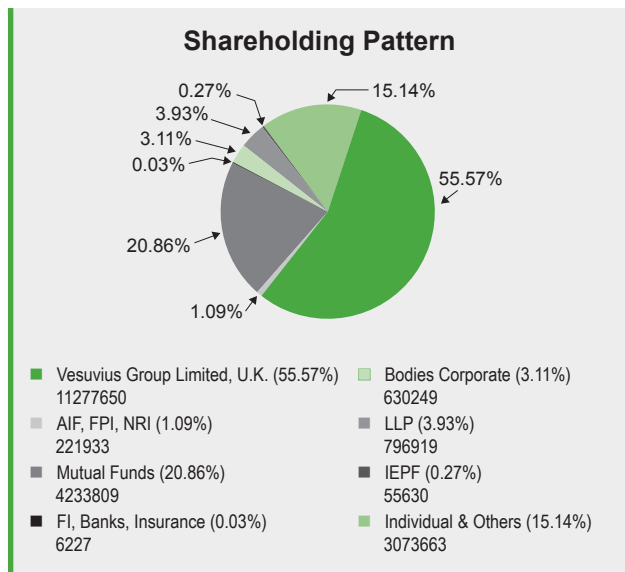
4,249 Equity shares in respect of 45 folios corresponding to the dividend for the year ended on December 31, 2011 which remained unclaimed for seven consecutive years has also been transferred, after giving several notices and reminders to the concerned shareholders, to the IEPF Authority in compliance with Section 124 of the Companies Act, 2013 read with rule 6 of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2017 after giving individual notices to concerned Shareholders and advertisements in newspapers.

Equity Shares corresponding to the dividend declared for the year ended on December 31, 2012 and remaining unclaimed for seven consecutive years will also be transferred to the IEPF, if the dividend is not encashed within May 20, 2020. Individual notices dated February 12, 2020 have been sent to the concerned Shareholders and advertisements made in the newspapers on February 14, 2020 in this regard. The advertisement is available on the website of the Company.

Notices dated January 31, 2020 have also been sent to all Shareholders concerned reminding them to encash their unclaimed dividend.

REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

List of Shareholders whose dividend remain unclaimed till date of Annual General Meeting held on April 25, 2019 have been uploaded in the website of the Company www.vesuviusindia.com under heading "Investor Information" => "Dividend & Disclosures". Shareholders are requested to check their unclaimed dividend from this list and contact the Registrars and Share Transfer Agents to encash these unclaimed dividends.



Auditors

Messrs Price Waterhouse Chartered Accountants LLP, (Firm Registration No: 012754N/ N500016), Auditors of the Company, have submitted their Independent Auditors Report on the financial statements of the Company for the year ended on December 31, 2019 and they have made no qualification, reservation or adverse remark or disclaimer in their Report. Ratification of their appointment every year is no more required pursuant to the revised provisions of Section 139 of the Companies Act, 2013. The Auditors have confirmed that they comply with all the requirements and criteria and are otherwise qualified to continue to act as Auditors of the Company. No frauds have been reported by the Auditors under section 143(12) of the Companies Act, 2013.

Secretarial Audit

Secretarial Audit, as required under section 204 of the Companies Act, 2013 and regulation 24A of SEBI (LODR), was conducted by the Secretarial Auditor, Mr Anjan Kumar Roy, FCS, of M/s Anjan Kumar Roy & Co. Practicing Company Secretaries. The Secretarial Audit Report is attached as **Annexure III** and the Secretarial Compliance Report is attached as **Annexure IV** and these form a part of this Report of the Directors. There are no qualifications or observations, or adverse remarks made by the Secretarial Auditor in his Reports.

Cost Audit

M/s Jithendra Kumar & Co, Cost Accountants, had been re-appointed the Cost Auditors of the Company for the financial year ended on December 31, 2020. The remuneration payable to the Cost Auditors is required to be approved by the Members of the Company hence an appropriate resolution for approval of the remuneration of the Cost Auditors has been proposed in the Notice convening the ensuing Annual General Meeting. Maintenance of cost records as specified under section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

Fixed Deposits

The Company has not accepted any deposits from the public, and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

Loans, guarantees and investments

It is the Company's policy not to give loans, directly or indirectly, to any person (other than to employees under contractual obligations) or to other body corporates or give any guarantee or provide any security in connection with a loan to any other body corporate or person. The Company also does not make any investment in securities of any other body corporate. The Company has not taken or given any loan or advances in the nature of loan to its holding company. The Company has no investments.

Information pursuant to section 134(3) of the Companies Act, 2013

Related Party Transactions: Vesuvius plc is the ultimate holding company of the Company and therefore all subsidiaries of Vesuvius plc are treated as related parties of the Company. Such related party transactions, including those with the holding company and chain holding companies who hold 55.57% shares of the Company, which have been held during the current year and the previous year are mentioned in the Annual Report in accordance with the Indian Accounting Standards 24 on Related Party Disclosures notified by the Companies (Indian Accounting Standards) Rules, 2015, as amended, and are not repeated in this Report of the Directors. All these related party transactions are in the ordinary course of business and are at arm's length and hence the restrictive provisions of section 188(1) are not attracted to these transactions. In compliance with the provisions of Regulation 34(3) read with Schedule V(A) of SEBI (LODR) read with section 134(3)(h) it is confirmed that no loans or advances in the nature of loans have been received or paid to the holding company or any associate company or any Director or to any firms or companies in which a director is interested and no investments have been made in the shares of the parent/ holding companies or any of its subsidiaries. The Company does not have any subsidiaries. The Company has no investments. The prescribed Form AOC-2 is therefore not applicable to the Company.

There were no material changes and commitments affecting the financial position of the Company occurring between December 31, 2019 and the date of this Report of the Directors.

The prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as **Annexure VII** and forms a part of this Report of the Directors.

The prescribed particulars of Employees required under section 134(3)(q) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure VIII** and forms a part of this Report of the Directors.

The Annual Return for the year ended December 31, 2018 which was electronically filed with the Ministry of Corporate Affairs on May 18, 2019 is available on the website of the Company www.vesuviusindia.com under heading Investor Information => Dividend & Disclosures.

Prevention of Sexual Harassment

In compliance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company had constituted an Internal Committee with three employees and a reputed external

representative and Miss Nayantara Palchoudhuri, Director, as an Adviser to the Committee. The Prevention of Sexual Harassment Policy is available on the Company's website www.vesuviusindia.com. All employees, especially women employees, were made aware of the Policy and the manner in which complaints could be lodged. The Committee submitted their fifth Annual Report which has been received and approved by the Board.

The following is reported pursuant to section 22 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and regulation 34(3) read with sub-clause 10(I) of Clause C of Schedule V of SEBI (LODR):

- Number of complaints of sexual harassment received/ filed during the year : Nil
- Number of complaints disposed off during the year : Nil
- Number of complaints pending for more than ninety days : Nil
- Number of complaints pending as on end of financial year : Nil
- Number of workshops or awareness programmes against sexual harassment carried out : Online awareness programmes and online training implemented
- Nature of action taken by the employer or District Officer : Not Applicable



REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

Business Responsibility Report

The Business Responsibility Report for the Company for the financial year ended on December 31, 2019 is attached as **Annexure VI** and forms a part of this Report of the Directors.

Annexures forming a part of this Report of the Directors

The Annexures referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report of the Directors:

Annexure	Particulars
I	Corporate Governance Report
II	Certificate on Corporate Governance
III	Secretarial Audit Report
IV	Secretarial Compliance Report
V	Certificate under Schedule V of SEBI (LODR)
VI	Business Responsibility Report
VII	Prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
VIII	Particulars of Employees
IX	Annual Report on Corporate Social Responsibility
X	Managing Director's Certificate on compliance of Code of Conduct

Company Policies

The following Policies of the Company are available on the Company's website www.vesuviusindia.com under the heading **Investor Information=> Policies & Disclosures** and while framing these Policies, all the requirements and criteria prescribed under the Companies Act, 2013 and SEBI (LODR) have been considered

- a) Remuneration Policy
- b) Corporate Social Responsibility Policy
- c) Terms and conditions of Appointment of Independent Director
- d) Related Party Transactions Policy
- e) Speak Up and Incident Reporting (Whistle Blowing) Policy
- f) Dividend Distribution Policy
- g) Policy on Preservation of Documents
- h) Anti-Bribery and Corruption Policy
- i) Risk Management Policy
- j) Insider Trading Code

- k) Insider Trading Code for Fair Disclosure
- l) Quality Policy
- m) Health and Safety Policy
- n) Environment Policy
- o) Code of Conduct
- p) CORE Values and Behaviours

Human Resources Management & Health, Safety and Environment

Vesuvius believes that the personal growth and job satisfaction of employees is key to the success and growth of the business. Employees are provided with access to a central resource, offering expertise in Global Rewards & Mobility, Talent & Performance Management, Culture and Learning, supported by Group-wide processes and information systems. Open communications supported by regular updates across businesses and operations encourages information dissemination and exchange of best practices.


Vesuvius has various training and awareness programmes in India and abroad on a continuous basis to enhance professional skills and development needs and keep employees aware of the CORE Values and Behaviours and policies of the Company. The Company strictly adheres to the prescribed norms and practices regarding health, safety and environment.

Employees have undergone training specifically on Anti-Bribery and Anti-Corruption Policy of the Company and Prevention of Sexual Harassment Policy.

Appreciation

Your Directors record their sincere appreciation of the dedication and commitment of all employees in achieving and sustaining excellence in all areas of the business. Your Directors thank the Shareholders, customers, suppliers and bankers and other stakeholders for their continuous support to the Company.

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



Biswadip Gupta
Chairman

Place: Kolkata
Date: February 21, 2020

(DIN : 00048258)

ADDENDUM TO REPORT OF THE DIRECTORS

Dear Members of Vesuvius India Limited

As you are aware that the Board of Directors of your Company at their meeting held on February 21, 2020, had resolved to hold the 29th Annual General Meeting of the Company on April 30, 2020. However, due to the extraordinary challenges presented by the COVID-19 pandemic and resultant lockdown thereof, the 29th Annual General Meeting of the Company could not be held and eventually postponed. An announcement in that regard was also made on 8th April, 2020.

At the aforesaid meeting, the Board of Directors had also approved the Audited Financial Statements and Directors' Report for the financial year ended on December 31, 2019, which remain unchanged. However, since there have been few developments between February 21, 2020 and August 19, 2020, and to apprise decisions taken by the Board of Directors at their meeting held on August 19, 2020, it is imperative to issue this **addendum** to the Directors' Report, as under:

1. Revised date of the twenty-ninth Annual General Meeting:

The twenty-ninth Annual General Meeting of the Members of Vesuvius India Limited will be held on Friday, September 25, 2020 at 2.00 p.m., through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") facility, the deemed venue of the meeting being at the Registered Office at P-104 Taratala Road, Kolkata 700088, to transact the various Business as per the attached Notice of the twenty-ninth Annual General Meeting.

2. Dividend:

The Board of Directors is of the view that the tradition of paying the dividend should continue. However, while reviewing their earlier recommendation of Dividend at Rs. 8.74 per share (also mentioned in the notes to accounts 19(B)(e) and item 11.5 of Corporate Governance Report, both dated 21.02.2020), the Board of Directors has revised the recommendation of **Dividend for the financial year ended December 31, 2019, to Rs. 7/-** per Equity share of nominal value Rs 10/- per share, to ensure that the Company continues to be a dividend paying company, while conserving cash in these difficult times.

If the dividend is declared at the Annual General Meeting, the dividend will be deposited with the Bank within September 30, 2020, and payment of the dividend will be made within October 7, 2020.

3. Board of Directors:

Resignation of Mr Tanmay Ganguly: Mr Tanmay Kumar Ganguly, who was due to retire by rotation, being eligible for re-appointment as a Director, has resigned from the Company as a Director effective from 21.05.2020. Accordingly, his candidature as a Director will not be proposed at the ensuing Annual General Meeting. The Board records its appreciation for the services rendered by him as Director of the Company.

Appointment of Mr Henry James Knowles as Director: At the Board meeting held on June 3, 2020, on the recommendation of the Nomination and Remuneration Committee, Mr Henry James Knowles (DIN No. 08751453),

has been appointed a Director in the casual vacancy caused by the resignation of Mr Tanmay Kumar Ganguly.

Mr Henry James Knowles, a resident of England, is presently holding the designation of General Counsel and Company Secretary of Vesuvius plc, the ultimate holding company of Vesuvius India Limited. He joined Vesuvius plc in September 2013 and has more than 25 years of experience as a corporate lawyer working with the public listed companies. Mr Knowles is trained in London and has practiced in London and Tokyo.

He is not a Director of any other company in India but is a Director of several Group Companies abroad and is not a member of any Committee in India. He is not related to any Promoter, Director or Key Managerial Personnel of the Company or their relatives. He does not hold any shares of the Company. The Board of Directors are of the opinion that Mr Henry James Knowles is a person of high integrity, has relevant expertise and experience and fulfils all the criteria specified in the Companies Act, 2013 and rules thereon and all the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 making him eligible to be appointed as Director and also feel that the presence of the General Counsel of the Vesuvius Group on the Board of the Company would bring immense benefits to the Indian management and operations. Additional information about Mr Henry James Knowles and a resolution proposing his appointment, are mentioned in the Notice convening the ensuing Annual General Meeting of the Company.

Re-Appointment of Mr Biswadip Gupta as Independent Director: At the Annual General Meeting held on May 7, 2015, Mr Biswadip Gupta (DIN No.00048258) was appointed an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 ("Act") for a period of five consecutive years with effect from May 7, 2015. His term of office as an Independent Director has ceased on May 6, 2020. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, has appointed Mr Biswadip Gupta as an Additional Director effective from May 7, 2020, and his term as Additional Director will also cease at the ensuing Annual General Meeting. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, are recommending the re-appointment of Mr Biswadip Gupta as a Director and an Independent Director of the Company for a further period of five consecutive years with effect from the date of this Annual General Meeting and during this term his period of office as an Independent Director shall not be liable to retirement by rotation. His appointment as a Director will need an Ordinary Resolution and his re-appointment as Independent Director will need a Special Resolution.

Mr Biswadip Gupta holds 3,749 shares in the Company. He is not related to any Promoter or Director or Key Managerial Personnel of the Company or their relatives and complies with all the requirements and criteria making him eligible to be re-appointed as a Director and an Independent Director.

ADDENDUM TO REPORT OF THE DIRECTORS (Contd.)

The Nomination and Remuneration Committee, as well as the Board of Directors, recommend the re-appointment of Mr Biswadip Gupta as a Director and an Independent Director of the Company for a second term. Mr Biswadip Gupta has registered in the Independent Director's Databank of the Indian Institute of Corporate Affairs. The Board is of the opinion that Mr Biswadip Gupta is a person of high integrity and has immense knowledge in the field of refractories and steel industry, has relevant expertise and experience to hold the office of an Independent Director of the Company and he fulfils the criteria specified in the Companies Act, 2013 read with the rules made thereunder and also with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as a Director and an Independent Director of the Company. None of the Promoters, Directors, Key Managerial Personnel or their relatives is concerned or interested in the resolution. Additional information about Mr Gupta and resolutions proposing his appointment are mentioned in the Notice convening the ensuing Annual General Meeting of the Company.

Cessation of Directorship of Mr Ritesh Dugarwal, Managing Director

With the sudden demise of Mr Ritesh Dugarwal, in the morning of August 19, 2020, his office as Director and Managing Director ceased from that day. The Board records its appreciation for the services rendered by him as Managing Director of the Company.

Appointment of Mr Subrata Roy as Managing Director

With the sudden demise of Mr Ritesh Dugarwal, on August 19, 2020, his office as Director and Managing Director ceased from that day. The Nomination & Remuneration Committee and the Board of Directors had immediately convened a meeting on the same day, i.e. August 19, 2020, and after discussion appointed Mr Subrata Roy (DIN No. 07046994) as Managing Director of the Company effective from August 19, 2020 to ensure continuity of supervision and operation. This appointment was made subject to the approval of the Members at the ensuing Annual General Meeting and will be for a period of 2 years effective from August 19, 2020 and be liable to retire by rotation. He is member of the Corporate Social Responsibility Committee, Risk Management Committee and Share Transfer & Stakeholders Grievance & Relationship Committee of the Company.

Mr Subrata Roy, aged 54 years, is a Mechanical Engineer from Jadavpur University, Kolkata, and worked with Bharat Heavy Electricals Ltd. for five years prior to joining Vesuvius India in September, 1993. Over the last two and half decades, Mr Roy has had numerous roles within the Company. He was the Managing Director from January 1, 2015 to December 31, 2018 and thereafter Operations Director for the Company. He was the Chief Executive - Operations for two and half years immediately before being appointed on January 1, 2015 as the Managing Director. Mr Roy brings with him rich experience and knowledge in engineering, manufacturing, technology, commercial activities and business strategy through his extensive interactions in India and with the Vesuvius Group.

Additional information about Mr Roy and resolutions proposing his appointment are mentioned in the Notice convening the ensuing Annual General Meeting of the Company.

4. Operating & Financial Performance, Internal Control

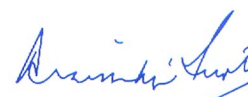
In view of the COVID-19 pandemic, and consequent to the lock-down orders issued by the Central and State Governments, our operations were disrupted at our plants (Kolkata, Visakhapatnam and Mehsana) and various customer sites. Further, road closure in conjunction with the aforesaid orders had resulted in the restriction of movements of personnel and incoming and outgoing goods. During April 2020, our plants worked only at the skeletal level due to lockdown restrictions while manpower availability at our plants and movement of goods remained a challenge. Things started improving from May 2020 but a rising number of Covid-19 cases and availability of transport and of workers remained a cause of concern. However, the Company could meet the demand of its products, mostly through available inventory and in parts through production from our plants and permitted despatches.

Since customer operations were also impacted due to the Covid-19 outbreak, customer demand remained subdued during the lockdown period. During the months of April - 2020, May - 2020 and June - 2020, production level of our large private sector customers has been at 35%, 66% and 78% respectively whereas production level of our public sector customers has been at 58%, 49% and 57%. In the short term, it is expected that the manufacturing activity will be well below the normal level of production, due to lack of end-user demand and consequent subdued demand by our customers. The Company is expected to gradually ramp up its operations to full scale depending on waning effects of lockdown restrictions and an increase in customer demand. The Company has assessed the impact of the COVID-19 pandemic on the operations, fund position, cash flow etc. and has concluded that no adjustments are required in the financial results for the half year ended June 30, 2020.

Company took various **Steps to ensure smooth functioning of operations e.g.** Social Distancing at workplace, Weekly roster, Work from Home facility, temperature check & sanitization, regular deep sanitization of premises, cars and goods vehicles, mandatory usage of mask, RFID card for attendance, signages for awareness & information, etc.

For and on behalf of the
Board of Directors

Vesuvius India Limited



Biswadip Gupta

Chairman

(DIN : 00048258)

Place : Kolkata

Date : August 19, 2020

ANNEXURE - I

CORPORATE GOVERNANCE REPORT - 2019

This Corporate Governance Report relating to the financial year ended on December 31, 2019 has been issued in compliance with the requirements of Regulation 34(3) read with Clause C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms a part of the Report of the Directors to the Members of the Company.

1. OUR COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Our Company's philosophy is to add value to customers' businesses providing materials, equipment, processes and services that allow them to increase efficiency, quality and profitability of their operations while upholding our CORE values **Courage, Ownership Respect and Energy** and include our values of Creativity, Cooperation, Reliability, Integrity, Embracing Diversity and compliance with laws. Our Company's Code of Conduct serves as a guide to each Director and employee on the standards and values, ethics and business principles which should govern their conduct and the Vesuvius policy on internal controls which require a review of all controls including financial, operational, compliance and risk management.

VESUVIUS MISSION STATEMENT

Vesuvius is a global leader in molten metal flow engineering, principally serving the steel and foundry industries with products, services and technologies that make demanding high temperature industrial applications possible.

Our mission is :-

- to develop innovative solutions that enable our customers to improve the performance of their manufacturing process
- to provide each employee a safe workplace where he or she is recognized, developed and properly rewarded
- to deliver our shareholders a return on their investment that allows the Company to grow and prosper

2. BOARD OF DIRECTORS

2.1. Composition and Category of Directors

The Board of Directors as on December 31, 2019 consisted of six Directors of which there are five Non-executive Directors and the Managing Director as follows :

Name of Director	Category of Director	Particulars
Mr Biswadip Gupta (DIN : 00048258)	Chairman, Non-Executive Independent Director	Appointed an Independent Director for 5 years effective from May 7, 2015
Mr Patrick Georges Felix Andre (DIN : 07619754)	Non-Executive Director	Nominee of the holding company. Appointed Director effective from August 8, 2016
Mr Tanmay Kumar Ganguly (DIN : 01272338)	Non-Executive Director	Nominee of the holding company. Appointed Director effective from May 7, 2015
Miss Nayantara Palchoudhuri (DIN : 00581440)	Non-Executive Independent Director	Appointed an Independent Director for 5 years effective from March 27, 2015
Mr Ritesh Dugarwal (DIN : 08136275)	Managing Director	Appointed Managing Director for 5 years effective from January 1, 2019
Mr Sudipto Sarkar (DIN : 00048279)	Non-Executive Independent Director	Re-appointed Independent Director for 5 years effective from April 29, 2019

None of the Directors are related to each other or to any Key Managerial Personnel of the Company.

2.2. Details of the Directors

Mr Jan Roel van der Sluis (DIN : 08276227), President-Flow Control of the Vesuvius Group, had resigned from the Vesuvius Group and consequently had to resign from all the companies where he was nominated as a Director. He therefore resigned as a Director of the Company effective from December 26, 2019. The Board records their appreciation for the services rendered to the Company by Mr Jan Roel van der Sluis both in his capacity as a Director of the Company as well as President-Flow Control of Vesuvius Group.

In compliance with the provisions of section 152 and other applicable provisions of the Companies Act, 2013, Mr Tanmay Kumar Ganguly (DIN : 01272338) will retire by rotation at the ensuing Annual General Meeting and it is proposed to re-appoint him as a Director of the Company. The personal information about Mr Ganguly is mentioned in the Directors Report and in the Notice convening the Annual General Meeting and therefore is not mentioned separately in this Report.

All Directors have certified and confirmed that the disqualifications mentioned under sections 164, 167, 169 and other provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements)

ANNEXURE - I

CORPORATE GOVERNANCE REPORT - 2019 (Contd.)

Regulations, 2015 do not apply to them. Independent Directors have affirmed compliance with the Code of Conduct of the Company and the Code for Independent Directors mentioned in Schedule IV of the Companies Act, 2013. The Independent Directors namely Mr Biswadip Gupta, Mr Sudipto Sarkar and Miss Nayantara Palchoudhuri, have given declaration and confirmed that they fulfill the criteria of independence referred to in section 149(6) of the Companies Act, 2013 and that they are not disqualified to act as such independent director. The Board of Directors are also of the opinion that the Independent Directors fulfill the criteria of independence and there is no impediment for their continuance as an Independent Director of the Company.

2.3. Code of Conduct

The Code of Conduct laid down by Vesuvius plc, U.K, the ultimate holding company, which has been adopted by the Board of Directors, is applicable to the Directors and all employees of the Company. This Code of Conduct emphasizes the Company's commitment to compliance with the highest standards of legal and ethical behaviour. The Code of Conduct is available on the website of the Company www.vesuviusindia.com under heading 'Investor Information'. All Directors, Key Managerial Personnel and senior management have adhered to the Code of Conduct of the Company during the year and have signed declarations and given affirmation of compliance to the Code of Conduct. The declaration signed by Mr Ritesh Dungarwal, Managing Director, is given separately in the Annual Report.

2.4. Shareholding of Directors and Key Managerial Personnel

As on December 31, 2019 following shares of the Company were held by Directors and Key Managerial Personnel of the Company :

Name	Designation	No of shares held as on 31.12.2019
Mr Biswadip Gupta	Chairman	3,749

No other person who was a Director or Key Managerial Personnel of the Company as on December 31, 2019 holds any shares in the Company.

2.5. Familiarisation program imparted to Independent Directors

Mr Biswadip Gupta, Mr Sudipto Sarkar and Miss Nayantara Palchoudhuri, Independent Directors, are already familiar with the nature of the industry, business model and other aspects of the Company since they have been directors of the Company for a long period of time during which they had visited the factories at Kolkata and Visakhapatnam, had discussions and meetings with senior executives of the Company,

with the customers and also with the Vesuvius Group Directors and senior executives and were constantly updated with information about the Company and the industry both national and international. Miss Nayantara Palchoudhuri who is also the Advisor to the Committee of employees constituted under the Prevention of Sexual Harassment to Women at Workplace law has, through these meetings, interacted with the employees and senior executives of the Company.

2.6. Board Meetings, Annual General Meeting and Attendance

During the financial year ended on December 31, 2019, four Board meetings were held on February 27, 2019; April 25, 2019; August 5, 2019; and November 4, 2019. The Annual General Meeting was held on April 25, 2019.

The Attendance of the Directors at the Board meetings and the Annual General Meeting and remuneration paid to them for attending the Board meetings during the year is given below :

Name of Director	No. of Board Meetings			Fees Paid Rs	Attendance at AGM held on 25.04.2019
	Held	Eligible to attend	Attended		
Mr Biswadip Gupta	4	4	4	2,40,000	Yes
Mr Patrick Andre	4	4	2	Nil	Yes
Mr Tanmay Ganguly	4	4	3	Nil	Yes
Miss N Palchoudhuri	4	4	4	2,40,000	Yes
Mr Ritesh Dungarwal	4	4	4	Nil	Yes
Mr Sudipto Sarkar	4	4	4	2,40,000	Yes
Mr Jan Roel van der Sluis	4	4	2	Nil	No

Mr Biswadip Gupta, Chairman of the Audit Committee, and Mr Sudipto Sarkar, Chairman of the Nomination and Remuneration Committee were present at the Annual General Meeting held on April 25, 2019. The Chief Financial Officer, who is a permanent invitee to the meetings of the Board of Directors, and the Company Secretary have attended all meetings of the Board of Directors.

2.7. Directorships and Committee membership

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees as specified in Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 across all companies in India of which they are a Director.

Independent Directors do not serve in more than 7 listed companies. None of the Independent Directors are whole-time directors in any listed Company so the limitations mentioned in Regulation 25 of SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable.

Directorships and membership of Committees held by Directors as on December 31, 2019 are given below :

Name of Director	Companies in India			Companies abroad
	No of Directorships held	No of Committees of which Chairman*	No of Committees of which Member only*	No of Directorships held
Mr Biswadip Gupta	10	2	1	Nil
Mr Patrick Georges Felix Andre	1	Nil	Nil	2
Mr Tanmay Kumar Ganguly	1	Nil	2	Nil
Miss Nayantara Palchoudhuri	8	Nil	8	Nil
Mr Ritesh Dunganwal	1	Nil	1	Nil
Mr Sudipto Sarkar	6	1	3	1

* Only Audit Committee and Stakeholders Relationship Committee are considered as per Regulation 26(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These include Directorship and Committee Membership of Vesuvius India Limited. Mr Jan Roel van der Sluis resigned effective from December 26, 2019.

Names of Listed Entities in India where the Director is also a Director as on December 31, 2019:

Name of Director	Name of Listed Entity	Category of directorship
Miss Nayantara Palchoudhuri	Rossell India Limited CIN: L01132WB1994PLC063513	Independent Director
	Ludlow Jute & Specialities Limited CIN: L65993WB1979PLC032394	Independent Director
	Tide Water Oil Co India Limited CIN: L23209WB1921PLC004357	Independent Director
Mr Sudipto Sarkar	EIH Associated Hotels Limited CIN: L92490TN1983PLC009903	Independent Director
	EIH Limited CIN: L55101WB1949PLC017981	Independent Director
	Triveni Engineering and Industries Limited CIN: L15421UP1932PLC022174	Independent Director

None of the Other Directors are Directors of any other listed entity in India.

2.8. Board identified core skills/ expertise/ competencies

The core skills, expertise and competencies of Directors as on December 31, 2019, as identified by the Board :

Name of Director	Core skills/ expertise/competencies
Mr Biswadip Gupta	Refractory business, Finance
Mr Patrick Georges Felix Andre	Business strategies in India and abroad, organizational capacity building, succession planning
Mr Tanmay Kumar Ganguly	Finance, Refractory Business, Business Strategy, Marketing
Miss Nayantara Palchoudhuri	Business strategy, Human Resources, Corporate Social Responsibility
Mr Ritesh Dunganwal	Business Strategy, Refractory business, Finance, Risk Management
Mr Sudipto Sarkar	Legal, knowledge of regulatory and competitive environment, evaluate policies and systems

2.9. Board Committees

The Board of Directors have constituted the following Committees :

- Audit Committee
- Nomination and Remuneration Committee
- Share Transfer and Stakeholders Grievance & Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

The composition, terms of reference, attendance and other details of these Committees are mentioned later in this Report.

3. AUDIT COMMITTEE

3.1. Constitution and Composition :

The Audit Committee was constituted on October 24, 2000. The Audit Committee as on December 31, 2019 consists of four members namely Mr Biswadip Gupta, Chairman of the Audit Committee, Mr Tanmay Ganguly, Miss Nayantara Palchoudhuri and Mr Sudipto Sarkar.

The Managing Director and Chief Financial Officer are permanent invitees in all meetings of the Audit Committee. The Company Secretary is the Secretary of the Audit Committee. All Directors are financially literate and Mr Biswadip Gupta and Mr Tanmay Ganguly have accounting or related financial management expertise. The Statutory Auditors and Internal Auditors are invited to the meetings to discuss

with the Directors the scope of audit, their comments and recommendation on the accounts, records, risks, internal procedures and internal controls of the Company and to discuss the Internal Audit Reports. Minutes of the Audit Committee meetings are circulated to all Directors and discussed at the Board meetings.

3.2. Terms of Reference :

The terms of reference of the Audit Committee cover all the areas mentioned under section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has also included in the terms of reference of the Audit Committee the monitoring, implementing and review

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CORPORATE GOVERNANCE REPORT - 2019 (Contd.)

of risk management plan and decisions taken by the Risk Management Committee constituted under Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The broad terms of reference of the Audit Committee therefore include review of financial reporting process and all financial results, statements and disclosures and recommend the same to the Board, review the internal audit reports and discuss the same with the internal auditors, review internal control systems and procedures, evaluation of internal financial controls and risk management systems and their effectiveness, to meet the statutory auditors and discuss their findings, their scope of audit, post audit discussion, auditor's independence, adequacy of internal audit functions, audit qualifications, if any, appointment/removal and remuneration of auditors, changes in accounting policies and practices, reviewing approval and disclosure of all related party transactions, reviewing with the management the performance of the statutory and internal auditors and their remuneration, compliance with listing regulations, company law and other legal requirements and compliances, reviewing ongoing litigations and their impact on the Company, and the Company's financial and risk management plan and policies and its implementation, disaster recovery policies and compliance with statutory requirements.

3.3. Internal Audit : The Internal Audit Department of Vesuvius Group conducts internal audit on a pan India basis.

3.4. Attendance : During the financial year ended on December 31, 2019, four meetings of the Audit Committee were held on February 27, 2019; April 25, 2019; August 5, 2019 and November 4, 2019. The Attendance of the Directors at these Audit Committee meetings and remuneration paid to them is given below :

Name of Director	No. of Meetings			Fees Paid Rs
	Held	Eligible to attend	Attended	
Mr Biswadip Gupta, Chairman	4	4	4	1,80,000
Mr Tanmay Kumar Ganguly	4	4	3	Nil
Miss Nayantara Palchoudhuri	4	4	4	1,80,000
Mr Sudipto Sarkar	4	4	4	1,80,000

The Managing Director, Chief Financial Officer and Company Secretary had attended all these meetings.

4. NOMINATION AND REMUNERATION COMMITTEE

4.1. Constitution and Composition : The Nomination and Remuneration Committee was constituted on April 29, 2014 in compliance with the provisions of section 178 of the Companies Act, 2013 and the earlier Clause 49(IV) of the revised Listing Agreement with Stock Exchanges

[now Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.] Mr Sudipto Sarkar is the Chairman of the Committee and other members are Mr Biswadip Gupta, Mr Tanmay Ganguly and Miss Nayantara Palchoudhuri.

4.2. Terms of Reference : The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The broad terms of reference of the Nomination and Remuneration Committee therefore include recommending and reviewing the policy relating to remuneration and employment terms of whole-time directors and senior management personnel, adherence to and review of the remuneration/employment policy as approved by the Board of Directors, formulating the criteria and identify persons who may be appointed as directors or senior management of the Company, preliminary evaluation of every Director's performance, Board diversity, compliance of the Code for Independent Directors referred to in Schedule IV of the Companies Act, 2013, compliance with the Company's Code of Conduct by Directors and employees of the Company, reporting non-compliances to the Board of Directors, recommending draft of the report required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 which will form part of the Directors Report to Shareholders and any other matters which the Board of Directors may direct from time to time.

4.3. Attendance : During the financial year ended on December 31, 2019, two meetings of the Nomination and Remuneration Committee were held on February 27, 2019; and November 4, 2019. The Attendance of the Directors at these Committee meetings and remuneration paid to them is given below :

Name of Director	No. of Meetings			Fees Paid Rs
	Held	Eligible to attend	Attended	
Mr Sudipto Sarkar, Chairman	2	2	2	60,000
Mr Biswadip Gupta	2	2	2	60,000
Mr Tanmay Ganguly	2	2	2	Nil
Miss Nayantara Palchoudhuri	2	2	2	60,000

The Managing Director and the Company Secretary had attended all these meetings.

4.4. Performance Evaluation of Directors

The Independent Directors had their separate meeting on November 16, 2019 where the performance evaluation of each Independent Director of the Company and of the Board was also conducted. As in previous years, the evaluation covered overall

performance of the Board and its Committees, individual reviews of each Director and analysis of the performance the Chairman. The evaluation concluded that the Board remained of high caliber, had discussed and given directions on all major issues, was functioning well with open and challenging debate and there was a transparent information flow from the management. Assessment of individual Directors concluded that they contributed effectively at all meetings and proactively during challenges like insolvency, major litigations etc. All Directors have devoted adequate time both during the Board processes and also separately through meetings with the Company's and also Vesuvius plc's management team.

4.5. Remuneration Policy : The Remuneration Policy of the Company and the Terms and Conditions of appointment of Independent Directors are available on the website of the Company www.vesuviusindia.com under heading "Investor information".

5. REMUNERATION TO DIRECTORS

5.1. The Non-executive Directors are entitled to sitting fees for every meeting of the Board or Committee thereof attended by them. They are also entitled to commission not exceeding 1% of the net profits of the Company. Directors nominated by the holding company are not entitled to sitting fees and they have waived their commission on net profits for the year. The Managing Director does not receive sitting fees for attending the meetings of the Board or any Committee thereof nor does he receive any commission on net profits. None of the Directors had any pecuniary relationship or transaction with the Company during the year.

5.2. Total Remuneration paid to Non-executive Directors for attending meetings of the Board and Committees during the year ended on December 31, 2019 is given below :

Name of Director	Sitting Fees Rs	Commission Rs	Total Rs
Mr Biswadip Gupta	5,80,000	13,60,000	19,40,000
Mr Patrick Andre	Nil	Nil	Nil
Mr Tanmay Ganguly	Nil	Nil	Nil
Miss Nayantara Palchoudhuri	5,80,000	10,60,000	16,40,000
Mr Sudipto Sarkar	5,80,000	10,60,000	16,40,000
Mr Jan Roel van der Sluis	Nil	Nil	Nil

5.3. Total Remuneration paid to Mr Ritesh Dugarwal, Managing Director, for the year ended on December 31, 2019 is given below :

Particulars	Amount Paid Rs
Salary and Allowances	1,38,50,004
Perquisites and other payments	47,69,792
Contribution to Retirement Funds	23,19,874
Total for year ended 31.12.2019	2,09,39,670

Mr Ritesh Dugarwal's contract for appointment is for a period of 5 years from January 1, 2019. His notice period is six months or such shorter notice as the Board of Directors may agree. There is no separate provision for payment of severance fees in the Contract. He is entitled to Stock Option Scheme of Vesuvius plc, the ultimate holding company.

5.4. The Company has obtained a Directors and Officers Liability Insurance Policy covering all Directors and Officers of the Company in respect of any legal action that might be initiated against any Director or Officer of the Company.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As required under section 135 of the Companies Act, 2013, a Corporate Social Responsibility Committee was constituted on April 29, 2014. The Members of this Committee as on December 31, 2019 are Mr Biswadip Gupta as Chairman and Mr Tanmay Ganguly, Miss Nayantara Palchoudhuri, Mr Ritesh Dugarwal and Mr Sudipto Sarkar as Members.

The terms of reference of this Committee is to comply with the requirements of section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 and all other relevant compliances.

Corporate Social Responsibility Policy is available on the Company's website www.vesuviusindia.com

The Committee met three times during the year on February 27, 2019; April 25, 2019 and November 4, 2019. The Annual CSR Report is attached separately to the Directors Report.

The attendance of the Directors at the meetings of this Committee and remuneration paid to them is given below :

Name of Director	No. of Meetings			Fees Paid Rs
	Held	Eligible to attend	Attended	
Mr Biswadip Gupta, Chairman	3	3	3	60,000
Mr Tanmay Kumar Ganguly	3	3	3	Nil
Miss Nayantara Palchoudhuri	3	3	3	60,000
Mr Ritesh Dugarwal	3	3	3	Nil
Mr Sudipto Sarkar	3	3	3	60,000

7. SHARE TRANSFER AND STAKEHOLDERS GRIEVANCE & RELATIONSHIP COMMITTEE

7.1. Constitution and Composition : The Share Transfer Committee was constituted on January 1, 1993 and renamed Share Transfer and Stakeholders Grievance & Relationship Committee on April 29, 2014 to comply with the Companies Act, 2013 and Regulation 20 of

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SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on December 31, 2019, this Committee consisted of five Directors namely Mr Biswadip Gupta, Chairman of the Committee, Mr Tanmay Ganguly, Miss Nayantara Palchoudhuri, Mr Ritesh Dunganwal and Mr Sudipto Sarkar. Minutes of the Share Transfer and Stakeholders Grievance & Relationship Committee meetings are circulated to all Directors and discussed at the Board meetings.

7.2. Compliance Officer : The Company Secretary is the Secretary of this Committee and also the Compliance Officer and his contact details are given below :

Mr Vikram Singh
Company Secretary
Vesuvius India Limited
P-104 Taratala Road, Kolkata 700 088
West Bengal, INDIA
Phone : (033) 3041 0600 Fax : (033) 2401 3976
Email : vesuviusindia@vesuvius.com

Mr Taposh Roy has also been nominated Compliance Officer for the purpose of submitting compliance documents to the Stock Exchanges under SEBI regulations.

7.3. Attendance : During the financial year ended on December 31, 2019, two meetings of the Committee were held on April 25, 2019 and December 31, 2019. The Attendance of the Directors at these Committee meetings and remuneration paid to them is given below :

Name of Director	No. of Meetings			Fees Paid Rs
	Held	Eligible to attend	Attended	
Mr Biswadip Gupta, Chairman	2	2	2	20,000
Mr Tanmay Kumar Ganguly	2	2	2	Nil
Miss Nayantara Palchoudhuri	2	2	2	20,000
Mr Ritesh Dunganwal	2	2	2	Nil
Mr Sudipto Sarkar	2	2	2	20,000

7.4. Pledge of shares : No pledge has been created over the Equity Shares held by the Promoters as on December 31, 2019.

7.5. Details of Complaints from Shareholders :

No. of complaints remaining unresolved as on 01.01.2019 : Nil
No. of complaints received during the year : 3
No. of complaints resolved during the year : 3
No. of complaints unresolved as on 31.12.2019 : Nil

7.6. Details of share transfers and dematerialized during the year :

No. of valid share transfer applications received	: 57
No. of share transfer applications processed & registered	: 45
No. of shares transferred	: 3284
No. of pending share transfers as on 31.12.2019	: Nil
No. of shares dematerialised to NSDL	: 17966
No. of shares dematerialised to CDSL	: 11485
No. of shares rematerialised	: Nil

8. RISK MANAGEMENT COMMITTEE

8.1. Constitution and Composition

The Risk Management Committee was constituted on April 25, 2019 the following are the Members of the Risk Management Committee as on December 31, 2019 :

DIRECTORS :

Mr Biswadip Gupta, Chairman of the Committee
Mr Ritesh Dunganwal
Mr Tanmay Ganguly
Miss Nayantara Palchoudhuri
Mr Sudipto Sarkar

SENIOR EXECUTIVES OF THE COMPANY :

Mr Subrata Roy, Operations Director -FC and AR South Asia
Mr Sivasis Salilkumar Sen, Chief Financial Officer
Mr Vikram Singh, Legal Director and Company Secretary

8.2 Risk Management Policy : The updated Risk Management Policy of the Company is available on the Company's website www.vesuviusindia.com

8.3. Attendance : During the financial year ended on December 31, 2019, one meeting of the Committee was held on November 4, 2019. The Attendance of the Directors at these Committee meetings and remuneration paid to them is given below :

Name of Director	No. of Meetings			Fees Paid Rs
	Held	Eligible to attend	Attended	
Mr Biswadip Gupta, Chairman	1	1	1	20,000
Mr Tanmay Kumar Ganguly	1	1	1	Nil
Miss Nayantara Palchoudhuri	1	1	1	20,000
Mr Ritesh Dunganwal	1	1	1	Nil
Mr Sudipto Sarkar	1	1	1	20,000

9. GENERAL BODY MEETINGS

9.1. Particulars of last three Annual General Meetings are given below :

AGM No	Relating to Financial Year ended on	Venue of AGM	Date of AGM	Time of AGM
26th	31.12.2016	G D Birla Sabhaghar, 29 Ashutosh Chowdhury Avenue, Kolkata 700 019	12.05.2017	10.30 a.m.
27th	31.12.2017	G D Birla Sabhaghar, 29 Ashutosh Chowdhury Avenue, Kolkata 700 019	10.04.2018	10.30 a.m.
28th	31.12.2018	G D Birla Sabhaghar, 29 Ashutosh Chowdhury Avenue, Kolkata 700 019	25.04.2019	10.30 a.m.

9.2. Special resolutions :

- 9.2.1.** One special resolution was passed during the previous three Annual General Meetings. Mr Sudipto Sarkar was re-appointed Independent Director for a second term of five years at the Annual General Meeting held on April 25, 2019 through a special resolution.
- 9.2.2.** At the ensuing 29th Annual General Meeting to be held on April 30, 2020 two special resolutions are proposed to be passed for the re-appointment of Miss Nayantara Palchoudhuri and Mr Biswadip Gupta as Independent Directors for a second term of five years.
- 9.3.** Postal Ballot : No resolutions were passed by Postal Ballot in any of the previous three Annual General Meetings.

10. MEANS OF COMMUNICATION

- 10.1.** Quarterly results are published in the Business Standard and the Bengali version thereof in Sanbad Pratidin the day after the Board Meeting where the results are approved. These financial results and quarterly shareholding pattern are electronically transmitted to the stock exchanges where the shares of the Company are listed and are also uploaded on the Company's website www.vesuviusindia.com. Quarterly financial results are emailed to all Members whose email is registered with the Company or the Depository Participants.
- 10.2.** Shareholder communication including Notices and Annual Reports are being sent to the email addresses

of Members available with the Company and the Depositories. Annual Accounts are sent to Members at least 25 days before the date of Annual General Meeting.

10.3. The Company's website www.vesuviusindia.com makes online announcements of Board Meeting dates, results of the meetings, quarterly financial results, announcement of the date of Annual General Meeting and proposed dividend, changes in Directors and other announcements. The website also provides quarterly shareholding pattern, lists of unclaimed dividend which have not yet been transferred to the Investor Education and Protection Fund ("IEPF") of the Central Government, details of shares which have been transferred to IEPF, and provides standard letters which can be downloaded by shareholders. Copies of Notices and Annual Reports sent to Shareholders are also available on the website. The Vesuvius Group website www.vesuvius.com gives information about the Vesuvius Group worldwide and the products offered by Vesuvius.

10.4. The Company sends intimation to all concerned Shareholders in January of each year by ordinary post informing them that their dividend for past years have remained unclaimed. Reminder letters are also given to the concerned Shareholders at least two months before the due date of transfer of their unclaimed dividend to the IEPF. Letters are also issued to the concerned Shareholders and an appropriate advertisement given at least three months before the due date of transfer to IEPF of the shares corresponding to the dividend which remained unclaimed for seven years.

10.5. Address for communication :

All communication regarding share transactions, change of address, bank mandates, nominations etc. should be addressed to the Registrars and Share Transfer Agents of the Company at the following address :

C B Management Services (P) Limited

Unit : Vesuvius India Limited

P-22 Bondel Road, Kolkata 700 019.

Phone : (033) 40116700; 40116718; 40116724

Fax : (033) 4011 6739

Email : rta@cbmsl.com, ranarc@cbmsl.com

Web site : www.cbmsl.com

Standard forms/letters can be downloaded from the Company's website www.vesuviusindia.com

Complaints, if any, may also be addressed to the Company Secretary at the Registered Office at P-104 Taratala Road, Kolkata 700088 or sent by email at vesuviusindia@vesuvius.com

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Shareholders are encouraged to correspond with the Registrars & Share Transfer Agents and the Company via email to speed up response, reduce paperwork and also to help us redress complaints faster. **Shareholders are requested to mention their Folio nos. (DP-ID and Client ID in case of demat shares), phone or mobile number and their Email ID** so that we can contact them and redress their complaints immediately. However, for instructions like change of bank mandate, change of address, transfers & transmission of shares etc. letters duly signed by the Shareholders should be sent, otherwise such requests cannot be processed by the Registrars. **Email ID of Shareholders will have to be registered with the Company or with Depositories to enable the Company or the Registrars to communicate electronically.** Registration of Email ID can be done online at the website of the Registrars www.cbmsl.com or by sending them a letter duly signed by the Shareholders.

11. GENERAL SHAREHOLDER INFORMATION**11.1. Date, time & venue of the Annual General Meeting :**

The 29th Annual General Meeting of the Company will be held on Thursday, April 30, 2020 at 10.30 a.m. at G D Birla Sabhaghar, 29 Ashutosh Chowdhury Avenue, Kolkata 700019.

11.2. Financial Year :

11.2.1. The Financial Year of the Company ended on December 31, 2019.

11.2.2. In terms of section 2(41) of the Companies Act, 2013, the Company Law Board, Kolkata Bench, by order dated January 7, 2016 has permitted the Company to retain 1st January to 31st December of each year as the Financial year of the Company.

11.3. Record Date and Cut Off Date:

11.3.1. **Record Date** is **April 23, 2020** for determining those who will be entitled to receive dividend to be declared at the ensuing Annual General Meeting.

11.3.2. **Cut Off Date** is **April 23, 2020** for determining those who will be entitled to vote electronically on the resolutions mentioned in the Notice convening the Annual General Meeting by remote e-Voting and also vote at the meeting venue.

11.4. Electronic Voting

11.4.1. Pursuant to section 108 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and other applicable requirements, voting at the 29th Annual General Meeting will be made through

electronic voting. The electronic voting ("E-Voting") period will be **from 9.00 a.m. on April 26, 2020 to 5.00 p.m. on April 30, 2020**, both days inclusive.

11.4.2. Two special resolutions are proposed to be conducted through electronic voting for the appointment of Miss Nayantara Palchoudhuri and Mr Biswadip Gupta as Independent Director for a second term of five years. No Special resolution is proposed to be passed by postal ballot.

11.4.3. **Scrutiniser for electronic voting** : Mr Anjan Kumar Roy, Proprietor of Anjan Kumar Roy & Co, Practicing Company Secretaries (Membership No. F5684 and C.P. No 4557) of GR-1, Gouri Bhaban, 28A, Gurupada Halder Road, Kolkata- 700026 (Phone: 9830201949; (033) 24750112 Email : akroyco@yahoo.co.in and anjanroy_2003@yahoo.co.in) has been appointed as the Scrutiniser to scrutinise the electronic voting process and the voting at the venue of the Annual General Meeting in a fair and transparent manner and to give his report to the Chairman.

11.5. Dividend payment date :

Dividend at the rate of Rs 8.74 per share of nominal value Rs 10/- each has been recommended by the Board of Directors for the financial year ended on December 31, 2019, subject to the approval from the Members at the ensuing Annual General Meeting. If dividend is declared at the Annual General Meeting, the dividend will be deposited with the Bank within May 5, 2020 and payment of dividend will be made within May 11, 2020.

11.6 Listing on Stock Exchanges :

The shares of the Company are listed with the following stock exchanges :

- a) **BSE Limited (Stock Code : 520113)**
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001
- b) **National Stock Exchange of India Limited (Stock Code : VESUVIUS)**
Exchange Plaza, 5th Floor
Plot No C/1, G Block, Bandra-Kurla Complex
Bandra (E), Mumbai 400 051

For Dematerialisation of Equity Shares of the Company of face value Rs 10/- each, the ISIN No. allotted to the Company is **INE 386A01015**.

Annual Listing Fees have been paid and all requirements of the stock exchanges where the shares of the Company are listed, including submission of quarterly reports and certificates, were complied with.

11.7 Market Price Data :

(i) **National Stock Exchange** - Market Price and Volume during the period from January 1, 2019 to December 31, 2019 :

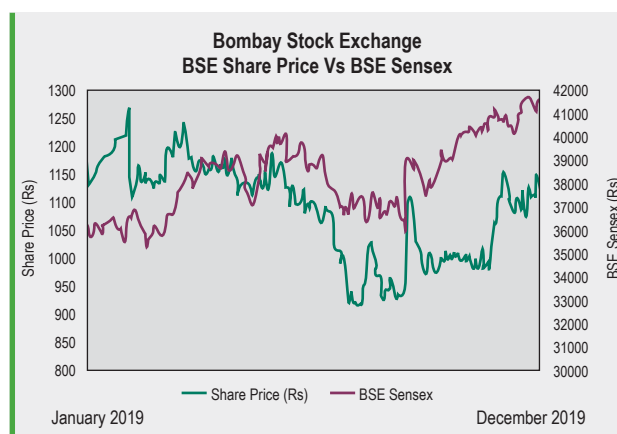
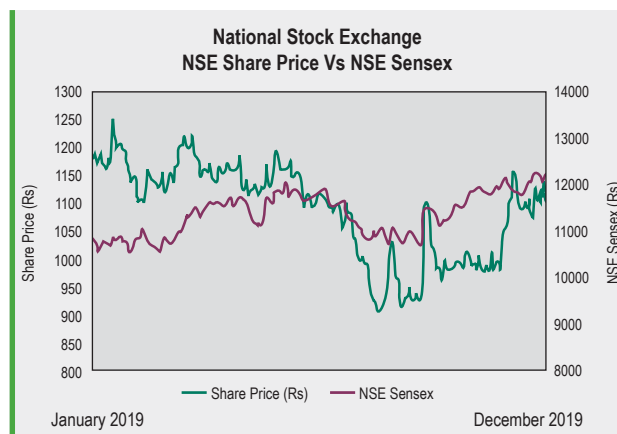
Month	High (Rs)	Low (Rs)	NSE Volume
January	1257.10	1141.65	42498
February	1153.84	1101.68	28579
March	1253.03	1140.00	55815
April	1193.85	1127.00	229282
May	1198.35	1117.10	168373
June	1178.05	1097.10	38556
July	1137.00	990.00	64227
August	1075.00	895.00	200040
September	1148.00	903.00	146007
October	1019.00	970.00	104695
November	1100.00	982.00	106007
December	1169.00	1074.00	87777

(ii) **Bombay Stock Exchange** - Market Price and Volume during the period from January 1, 2019 to December 31, 2019:

Month	High (Rs)	Low (Rs)	BSE Volume
January	1270.15	1131.55	33412
February	1166.80	1107.90	12677
March	1242.00	1157.80	32582
April	1173.30	1116.00	2202
May	1165.00	1090.00	78033
June	1160.00	1080.00	119178
July	1150.00	911.00	1589
August	1046.00	894.00	4520
September	1151.00	910.00	4524
October	1015.00	970.00	4101
November	1100.00	980.00	3598
December	1157.00	1070.00	6289

11.8 Performance Graphs :

A Graph showing comparison of Share Prices Vs Sensex is given below :

**11.9. Registrars & Share Transfer Agents :**

The share management work, both physical and demat, is being handled by the Registrars and Share Transfer Agents of the Company whose name and address is given below :

CB Management Services (P) Limited
P-22 Bondel Road, Kolkata 700 019

Phone : (033) 40116700; 40116718; 40116724

Fax : (033) 4011 6739

Email : rta@cbmsl.com, ranarc@cbmsl.co

Web site : www.cbmsl.com

Contact person – Mr Rana Roy Choudhury

11.10 Share Transfer and Transmission System :

Effective from April 1, 2019, transfer of shares are not permitted. All transfers should be made only in dematerialized mode. Share Transmission requests valid and complete in all respects are normally processed within 15 days. Power has been delegated to the Company Secretary and the Registrars & Share Transfer Agents for expediting share transmission and other share maintenance functions. Valid requests for demat of shares are

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completed within 10 days. The Company's shares are compulsorily traded in the dematerialized form. The ISIN No. allotted to the Company is **INE 386A01015**.

11.11. Distribution of shareholding as on December 31, 2019 :

Shares held	Number of Shareholders	%	Number of Shares held	%
1 – 500	12,456	94.51	11,28,153	5.55
501 – 1000	309	2.34	2,34,567	1.16
1001 – 5000	314	2.38	6,40,327	3.15
5001 – 10000	42	0.32	3,25,977	1.61
10001 and above	59	0.45	1,79,67,056	88.53
Total	13,180	100.00	2,02,96,080	100.00

Shares held	Number of Shareholders	%	Number of Shares held	%
In Physical mode	1,788	13.57	2,66,396	1.31
Demat with NSDL	8,235	62.48	1,93,43,138	95.31
Demat with CDSL	3,157	23.95	6,86,546	3.38
Total	13,180	100.00	2,02,96,080	100.00

11.12. Shareholding pattern as on December 31, 2019 :

Particulars	Number of Shares held	%
Vesuvius Group Limited, U.K.	1,12,77,650	55.57
Non Resident Indians	1,38,131	0.68
Alternative Investment Fund	50,385	0.25
Foreign Portfolio Investors	33,417	0.16
Indian Financial Institutions & Insurance companies	3,932	0.02
Nationalised & other Banks	2,295	0.01
Mutual Funds	42,33,809	20.86
Bodies Corporate	6,30,249	3.11
LLP	7,96,919	3.93
Individuals & Others	30,70,594	15.12
Investor Education & Protection Fund	55,630	0.27
Clearing member with Depositories	3,069	0.02
Total	2,02,96,080	100.00

11.13. Top ten shareholders as on December 31, 2019 :

Particulars	Number of Shares held	Percentage of total share capital
Reliance Capital Trustee Co Ltd - A/c Nippon India Tax Saver Fund	10,66,440	5.25
HDFC Trustee Company Ltd - A/c HDFC Mid-Cap Opportunities Fund	8,61,500	4.24
Catamaran Advisors LLP	7,77,658	3.83
Reliance Capital Trustee Co Ltd - A/c Nippon India Multi Cap Fund	7,41,056	3.65
HDFC Small Cap Fund	4,22,020	2.08
HDFC Trustee Company Ltd - A/c HDFC Long Term Advantage Fund	4,00,000	1.97
Urjita J Master	2,29,000	1.13
Shivani Tejas Trivedi	2,08,277	1.03
Axis Mutual Fund Trustee Ltd A/c Axis Small Cap Fund	1,93,534	0.95
Sudhir Enterprises Private Ltd	1,44,000	0.71
Total	50,43,485	24.84

11.14. Transfers during the year to the Investor Education and Protection Fund under section 205A of the Companies Act, 1956 :

During the year, dividend amounting to Rs 537,988/- lying unclaimed in the fifteenth Dividend Account relating to the year ended December 31, 2011 which had been declared at the Annual General Meeting of the Company held on April 26, 2012, was transferred in May, 2019 to the Investor Education and Protection Fund ("IEPF") of the Central Government after giving final reminder notices on January 16, 2019 to all concerned Shareholders.

11.15 Unclaimed Dividend to be transferred to IEPF :

Notices regarding dividend lying unclaimed, have been sent to all shareholders concerned on January 31, 2020. Final notices dated January 31, 2020 has been sent to those Shareholders whose dividend relating to the year ended December 31, 2012 are still lying unclaimed as these dividends will be transferred to Investor Education and Protection Fund of the Central Government in May, 2020.

11.16 Transfer to IEPF of shares corresponding to dividend which have remained unclaimed for seven years and transferred to IEPF :

a) 4249 shares have been transferred to IEPF in July, 2019 in compliance with the provisions of Section 124 of the Companies Act, 2013 and Rule 6 of Investor Education and Protection

Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“Rules”) after sending letters to the Shareholders and also after making an advertisement in the newspapers in this regard. Details of these shares transferred to IEPF are available on the following link <http://www.vesuviusindia.com/view/viewdividendhistory.aspx>

- b) The Company has issued letters dated February 12, 2020 to those shareholders whose shares are eligible to be transferred to IEPF during the year 2020 by giving them at least three months notice and also informing them through an appropriate advertisement in the newspapers on February 14, 2020. The Notice is also available on the Company’s website www.vesuviusindia.com under heading “Announcements”.

11.17 Unclaimed Shares

As on December 31, 2019 there were no shares of any shareholder lying unclaimed with the Company or lying in the suspense account. The disclosure required to be given under Regulation 34(3) read with Clause F of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are therefore not applicable.

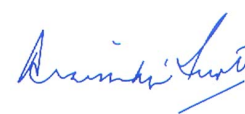
12. DISCLOSURES

- 12.1.** Details of transactions with related parties have been reported in the Notes to Accounts. These disclosures are also made for the purpose of Regulation 10(1) (a) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. All the transactions with related parties are in the ordinary course of business and at arm’s length basis and there are no materially significant related party transactions which may have potential conflict with the interests of the Company at large. The Related Party Policy is available on the Company’s website www.vesuviusindia.com
- 12.2.** There were no instances of non-compliance by the Company or any penalties or strictures imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- 12.3.** The Company has established a vigil mechanism system and has in place a Whistle Blower Policy namely “Speak Up and Incident reporting (Whistle Blowing) Policy”, a copy of which is available on the Company’s website www.vesuviusindia.com. Adequate safeguards have been provided against victimization of persons who use the vigil mechanism.

All persons have been given direct access to the Chairman of the Audit Committee to lodge their grievances. No personnel have been denied access to the Audit Committee to lodge their grievances.

- 12.4** The disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are mentioned in the Report of the Directors and total fees paid to Statutory Auditors are mentioned in the Annual Report and hence are not repeated in this Report.
- 12.5.** Mandatory requirements and non-mandatory requirements have been appropriately complied with except that the Company does not bear the expenses of the Chairman’s Office and does not send the half-yearly financial performance to each household of shareholders who have not registered their Email ID with the Company or the Depository Participants.
- 12.6.** Management Discussion and Analysis Report forms a part of the Directors Report.
- 12.7.** No presentations were made to institutional investors and analysts during the year.
- 12.8.** The Company does not have any subsidiary therefore corresponding disclosures have not been made.
- 12.9.** There have been no public issues, rights issues or other public offerings during the past five years. The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments. Hence corresponding disclosures have not been made.
- 12.10.** Plant locations, addresses and contact numbers of the Company are given separately in the Annual Report of the Company and are also available on the Company’s website www.vesuviusindia.com
- 12.11.** Other items which are not mentioned in this Report are mentioned in the Report of the Directors and those items which are not applicable to the Company have not been separately commented upon.

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



Biswadip Gupta

Chairman

DIN 00048258

Place: Kolkata

Date: February 21, 2020

ANNEXURE - II

CERTIFICATE ON CORPORATE GOVERNANCE**ANJAN KUMAR ROY & CO.
COMPANY SECRETARIES****CERTIFICATE ON CORPORATE GOVERNANCE**

[Pursuant to Clause E of SCHEDULE V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Vesuvius India Limited
P-104, Taratala Road,
Kolkata - 700 088

- A. We have conducted an audit of compliance of corporate governance norms and procedures by the Company being **M/s. Vesuvius India Limited**, having its registered office at P-104, Taratala Road, Kolkata - 700 088 (hereinafter called "**the Company**") during the Financial Year ended 31st December, 2019, and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with other applicable provisions of law during the aforesaid period.
- B. That our audit is an independent audit of compliance of corporate governance norms and procedures as maintained by M/s. Vesuvius India Limited. That compliance of corporate governance norms and procedures is the responsibility of the Company. That our audit is neither an opinion on financial statements of the Company nor on future viability of the Company or on effective management of the Company.
- C. In our opinion and to the best of our understanding, based on the records, documents, books and other information furnished to us during the aforesaid audit by the Company, its officers and agents, we confirm that the Company has complied with the corporate governance norms and procedures, as referred above and to the extent applicable to the Company, during the aforesaid period under scrutiny.

For, **ANJAN KUMAR ROY & CO.**
Company Secretaries

ANJAN KUMAR ROY

Proprietor

FCS No. 5684

CP. No. 4557

UDIN: F005684A000554551

Place : Kolkata
Date : 21st February, 2020

ANNEXURE - III
SECRETARIAL AUDIT REPORT

ANJAN KUMAR ROY & CO.
COMPANY SECRETARIES

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST DECEMBER, 2019

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of
the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,
The Members,
M/s. Vesuvius India Limited
P-104, Taratala Road,
Kolkata - 700 088

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Vesuvius India Limited** (hereinafter called the “**Company**”) for and during the financial year ended 31st December, 2019. Secretarial Audit was conducted on test check basis, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the records, minute books and other books, documents, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st December, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. We have examined the records, minute books and other books, documents, forms and returns filed and other records maintained by the Company for and during the financial year ended on 31st December, 2019 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999–N/A
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; N/A

ANNEXURE - III

SECRETARIAL AUDIT REPORT *(Contd.)*

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; N/A
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018– N/A
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) and other laws specifically applicable to the Company being:-
 - a) Hazardous Wastes (Management and Handling) Rules, 2008,
 - b) Public Liability Insurance Act, 1991, and

We have checked the compliance under these specific laws on random sample basis.

4. We have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreements entered into by the Company with BSE Limited & National Stock Exchange of India Limited (NSE).
5. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
6. We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
7. Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance.
8. Majority decision is carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.
9. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, such as laws related to taxation, local laws applicable to the area of operation of business and other laws generally applicable to Company.
10. This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

For, **ANJAN KUMAR ROY & CO.**
Company Secretaries

ANJAN KUMAR ROY

Proprietor

FCS No. 5684

CP. No. 4557

UDIN: F005684A000554529

Place : Kolkata
Date : 21st February, 2020

ANJAN KUMAR ROY & CO.
COMPANY SECRETARIES

'Annexure A'
(To the Secretarial Audit Report of M/s. Vesuvius India Limited
for the financial year ended 31st December, 2019)

To,
The Members,
Vesuvius India Limited
P-104, Taratala Road,
Kolkata - 700 088

Our Secretarial Audit Report for the financial year ended 31st December, 2019 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, **ANJAN KUMAR ROY & CO.**
Company Secretaries

ANJAN KUMAR ROY
Proprietor
FCS No. 5684
CP. No. 4557
UDIN: F005684A000554529

Place : Kolkata
Date : 21st February, 2020

ANNEXURE - IV
SECRETARIAL COMPLIANCE REPORT

ANJAN KUMAR ROY & CO.
COMPANY SECRETARIES

SECRETARIAL COMPLIANCE REPORT
OF
VESUVIUS INDIA LIMITED
FOR THE FINANCIAL YEAR ENDED ON 31ST DECEMBER, 2019
[Pursuant to Circular No. CIR/CFD/CMDI/27/2019, dated 08/02/2019, issued by
Securities and Exchange Board of India]

To,
The Members,
M/s. Vesuvius India Limited
P-104, Taratala Road,
Kolkata - 700 088

1. We have examined:
 - (a) all the documents and records made available to us and explanation provided by **M/s. Vesuvius India Limited** ("the listed entity")
 - (b) the filings/ submissions made by the listed entity to the stock exchanges,
 - (c) website of the listed entity,
 - (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended on 31st December, 2019 in respect of compliance with the provisions of :
 - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");
2. The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-
 - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **N/A**
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **N/A**
 - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **N/A**
 - (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - **N/A**

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and based on the above examination, We hereby report that, during the Review Period:

a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

1.	2.	3.	4.
Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;	Not Applicable	The regulation mentioned in the column no. 2 was not attracted to the company during the period under review.
2.	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014	Not Applicable	The regulation mentioned in the column no. 2 was not attracted to the company during the period under review.
3	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008	Not Applicable	The regulation mentioned in the column no. 2 was not attracted to the company during the period under review.
4.	Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;	Not Applicable	The regulation mentioned in the column no. 2 was not attracted to the company during the period under review.

b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.

c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
	N/A	N/A	N/A	N/A

d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	N/A	N/A	N/A	N/A

For, **ANJAN KUMAR ROY & CO.**
Company Secretaries

ANJAN KUMAR ROY

Proprietor

FCS No. 5684

CP. No. 4557

UDIN: F005684A000554540

Place : Kolkata

Date : 21st February, 2020

ANNEXURE - V
CERTIFICATE UNDER SCHEDULE V

CERTIFICATE

[Pursuant to regulation 34(3) read with clause C(10)(i) of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015]

To,
The Board of Directors,
Vesuvius India Limited,
P-104, Taratala Road,
Kolkata – 700088

Pursuant to clause C(10)(i) of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations, this is to certify that on the basis of inspection of documents and records of the company and as available on the website www.mca.gov.in maintained by the Ministry of Corporate Affairs, Government of India, and to the best of my understanding, none of the directors on the Board of Directors of M/s Vesuvius India Limited have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

For, **ANJAN KUMAR ROY & CO.**
Company Secretaries

ANJAN KUMAR ROY
Proprietor

FCS No. 5684

CP. No. 4557

UDIN: F005684A000554562

Place : Kolkata

Date : 21st February, 2020

ANNEXURE - VI

BUSINESS RESPONSIBILITY REPORT - 2019

This Business Responsibility Report relating to the year ended on December 31, 2019 has been issued in compliance with the requirements of Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms a part of the Report of the Directors to the Members of the Company.

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	:	L26933WB1991PLC052968
2.	Name of the Company	:	Vesuvius India Limited
3.	Registered Office Address	:	P-104 Taratala Road Kolkata 700088 West Bengal, INDIA
4.	Website		
	(a) The Vesuvius Group	:	www.vesuvius.com
	(b) Vesuvius India Limited	:	www.vesuviusindia.com
5.	Email ID	:	vesuviusindia@vesuvius.com
6.	Financial Year reported	:	December 31, 2019
7.	Sectors that the Company is engaged in (Industry activity code-wise)	:	Refractory products
8.	List three key products/services that the Company manufactures/ provides (as in Balance Sheet)	:	Refractories consisting mainly of : a) Shaped Refractories like shrouds, stoppers, pre-cast products, nozzles, crucibles b) Unshaped Refractories like castables, taphole clay Repairs and maintenance services
9.	Total number of locations where business activity is undertaken by the Company		
	(a) Number of International locations	:	NIL
	(b) Number of National locations	:	Four factories of which one in Kolkata, two in Visakhapatnam and one in Mehsana
10.	Markets served by the Company -Local/ State/ National/International	:	The Company supplies refractories and also provides maintenance services at the factories of major steel plants in India. Exports of products are made to USA, UK, Brazil, UAE, South Africa, China, Europe and South East Asia.

SECTION B : FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	:	Rs 20,29,60,800
2.	Total Turnover	:	Rs 91,627 lakhs
3.	Total Profit after tax	:	Rs 8,555 lakhs
4.	Total Spending on Corporate Social Responsibility as a percentage of profit after Tax	:	1.85% (approx.)
5.	List of activities in which expenditure in (4) above has been incurred :		
	(a) Education by contributing to Indian Institute of Cerebral Palsy, Ramakrishna Mission, Mukti Rehabilitation Centre, Women's Co-ordination Council, Childlife Preserve Shisur Sebay, Nabadisha School, Priyadarshini Service Organisation (School for deaf & dumb)		
	(b) Healthcare by contributing to Anandam Cancer Care, Organisation for Friends, Energies and Resources		

ANNEXURE - VI

BUSINESS RESPONSIBILITY REPORT - 2019 (Contd.)**SECTION C : OTHER DETAILS**

1.	Does the Company have any subsidiary company?	:	No
2.	Do the subsidiary companies participate in the Business Responsibility initiatives?	:	Not Applicable
3.	Do any other entities that the Company does business with, participate in the Business Responsibility initiatives of the Company?	:	No

SECTION D : BUSINESS RESPONSIBILITY (“ BR”) INFORMATION

1.	Details of the Director responsible for BR	:	Mr Ritesh Dugarwal Managing Director DIN No : 08136275 Email ID : vesuviusindia@vesuvius.com Phone : +91 33 30410600
2.	Principle-wise (as per NVGs) BR Policy	:	
	(a) Details of Compliances: The Company does not have in place a Business Responsibility Policy as yet.		
	(b) Explain why there is no Policy : Vesuvius plc, our ultimate holding company, has a Responsibility Reporting in their Annual Report which requires all group companies including Vesuvius India Ltd to follow these guidelines for a comprehensive Business Responsibility compliance. Since the Business Responsibility Reporting Policy is not mandatory, the Company has not formulated a separate policy as yet but follows the guidelines of the ultimate holding company. In addition, Company has Corporate Social Responsibility Policy, Quality Policy, Health Policy, Environment Policy, Anti-Corruption and Bribery Policy and Risk Management Policy in place and such policies are on the Company website.		
3.	Governance related to BR	:	
	(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess BR performance of the Company		At each quarterly Board meetings, the Managing Director’s presentation includes business responsibility reporting
	(b) Does the company publish a BR or Sustainability Report ?	:	Vesuvius plc, our ultimate holding Company, in their Annual Report has a separate section on Business Responsibility

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	
1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/ Others?	The Company’s Policies on ethics, code of conduct, anti- bribery & corruption etc applies to the Company, its Directors and employees and also to all vendors, consultants and contractual personnel who represent or work on behalf of the Company.
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	No complaints were received during the year
Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	
1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities (a), (b), (c)	a) Improved efficiency while reducing refractory consumption per ton of steel b) Technology and improved manufacturing processes ensuring reduced energy consumption c) Reducing carbon dioxide emissions by steel plants

<p>2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):</p> <p>(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?</p> <p>(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p>	<p>Approx. Rs 1.03 crore has been spent on energy saving equipment during the year. Various other measure have been launched for energy conserving and improving efficiencies while consuming electricity and gas etc.</p>
<p>3. Does the company have procedures in place for sustainable sourcing (including transportation)?</p>	<p>There are long term sustainable contracts with large vendors for material supply. The MSME vendors, who are mostly local parties, are provided with technical and commercial support to continue timely and sustainable supplies</p>
<p>(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</p>	<p>All inputs have sustainable contracts, agreements or arrangements in place</p>
<p>4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?</p>	<p>Yes</p>
<p>(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	<p>In-time supply ensured that material at vendor's and our shop floor is minimal, thereby reducing their working capital requirements. Technical and commercial support and training is provided to enable small vendors to supply high quality products in time and follow safety, environment and technical standards. Support for acquiring costly machinery are made with assured and sustainable orders on these small vendors</p>
<p>5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.</p>	<p>Wood and metal products are recycled. Scrapped, broken or partly used refractory products are also recycled to the extent permitted by Quality Control team. Water is recycled for non-drinking use</p>

Principle 3 : Businesses should promote the well being of all employees

<p>1. Please indicate the Total number of employees.</p>	<p>457 (Permanent Employees)</p>
<p>2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.</p>	<p>1413</p>
<p>3. Please indicate the Number of permanent women employees.</p>	<p>9</p>
<p>4. Please indicate the Number of permanent employees with disabilities.</p>	<p>Nil</p>
<p>5. Do you have an employee association that is recognized by management.</p>	<p>Yes</p>
<p>6. What percentage of your permanent employees is members of this recognized employee association?</p>	<p>22.98%</p>
<p>7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.</p>	<p>The Company does not have any child labour, forced labour or involuntary labour. The Company has in place a Prevention of Sexual Harassment Policy and a Committee to oversee this Policy. No complaints were received during the year.</p>

ANNEXURE - VI

BUSINESS RESPONSIBILITY REPORT - 2019 (Contd.)

No.	Category	No of complaints filed during the financial year	No of complaints pending as on the end of the financial year
1.	Child labour/ forced labour/ involuntary labour	Not Applicable No such labour	
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	Not Applicable Employment Policy prevents any discrimination	
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/ Temporary/Contractual Employees (d) Employees with Disabilities	All employees have to undergo training on Safety, Ethics, Code of Conduct, Anti-Bribery & Anti-Corruption and Prevention of Sexual Harassment. Company has training and development program in place for imparting appropriate training and skill upgradation.	
Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised			
1.	Has the company mapped its internal and external stakeholders? Yes/No	Yes	
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	There are none	
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	There is a constant engagement, audit and physical verifications of documents and compliances of all vendors and other stakeholders to ensure that they have a sustainable business, generate sufficient profits, provide appropriate remuneration and social security benefits to their employees, comply with all laws,safety, environment and ethical processes and supply products consistent with Vesuvius quality and specifications.	
Principle 5 : Businesses should respect and promote human rights			
1.	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?	The Remuneration Policy ensures that human rights are respected and adhered to by all stakeholders	
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaints received during the year	
Principle 6 : Businesses should respect, protect and make efforts to restore the environment			
1.	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/NGOs/others.	This covers all companies within the Vesuvius Group as well as large and small vendors, customers and transporters	
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N, If yes, please give hyperlink for webpage etc.	Vesuvius plc, the ultimate holding company, has strategies in place for all companies in the Group including Vesuvius India Ltd.	

3. Does the company identify and assess potential environmental risks? Y/N	Yes
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Air and water effluent are treated before discharge for which special equipment have been installed at the factories. Water is recycled for non-drinking purposes.
5. Has the company undertaken any other initiative on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes, there are constant improvements to reduce specific energy consumption, use of low cost fuel, reduced emissions, etc.
6. Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, we have special treatment plants in our factories
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	Nil

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, Indian Refractory Makers Association; The Bengal Chamber of Commerce & Industry; Confederation of Indian Industry (CII); Gujarat Chamber of Commerce and Chemical & Allied Export Promotion Council of India (CAPEXIL)
2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic, Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. Representations are made to local bodies and State Government for improvement in local infrastructure, support to local schools through CSR initiatives, awareness of refractory products; its innovations new methods/systems through seminars. Representations are made to Central Government through Chambers of Commerce for updations and amendments in laws and processes for ease of business

Principle 8 : Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company has a CSR Policy. The Company engages local units for its MSME supplies
2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?	So far through contributions to institutions, NGOs and Chambers of Commerce. Some projects are conducted by employees at sites.
3. Have you done any impact assessment of your initiative?	No
4. What is your company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken.	During the financial year 2019, Rs 1,26,33,164 on education and Rs 31,72,640 on healthcare have been spent as per the CSR Policy.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Programs are undertaken directly by the Company or jointly with Institutions, NGOs, Chambers of Commerce and other self- help groups.

ANNEXURE - VI

BUSINESS RESPONSIBILITY REPORT - 2019 (Contd.)**Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	Nil complaints/consumer cases
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)	Technical literature and specification are submitted to our customers who are made aware of our products and its use and disposal process, since our products require higher technology and operate in very high temperatures. Presentations are made to customers directly or at exhibitions in India and abroad
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4. Did your company carry out any consumer survey/ consumer satisfaction trends?	Company regularly engages with customers to give them a better understanding of our products and capabilities and to improve upon them. Seminars and meetings are also held with customers to inform them of new technology, new processes, scope for improvements at steel plants etc

For and on behalf of the
Board of Directors

Vesuvius India Limited

Biswadip Gupta

Chairman

DIN 00048258

Place: Kolkata

Date: February 21, 2020

ANNEXURE - VII

Prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014]

(A) Conservation of energy

(i) *the steps taken or impact on conservation of energy:*

Energy usage optimization programs continue at all the manufacturing units. These have resulted in saving cost as well as specific energy consumption. Projects such as replacing electrical vaporizers with heater less vaporizers at LPG storage facility at Vishakhapatnam plant, installation of 6 new generation air handling units at the centralised air conditioning plant at Kolkata plant, replacement of old air conditioning units at precast mixer room at Vishakhapatnam with latest generation inverter type air conditioning units are the major initiatives executed.

(ii) *The steps taken by the company for utilizing alternate sources of energy:*

Projects to install solar panels at all the three manufacturing units have been initiated and are expected to be executed in 2020.

(iii) *The capital investment on energy conservation equipment:*

Approximately Rs 103 lakhs has been incurred on energy saving equipment during the year. Ceramic fibre lining replaced for two glaze firing kilns to reduce heat loss during firing.

(B) Technology absorption

(i) *Efforts made towards technology absorption*

Our Visakhapatnam plant has introduced high performing Hydramax Plus and Gel bonded product technology for blast furnace trough and tilting runner hot face lining, which is under field trial stage in Indian market and received positive initial feedback. The products have strong reference in other regions globally within Vesuvius.

Other significant technology absorption for the Advanced Refractories business came through Tundish Robotic Spray unit & Ladle Laser Scanner. Vesuvius has pioneering technology in both these fields. The introduction of these two technologies in two of our large steel plant customer locations in India has created differentiation through enhanced safety, operational excellence and refractory performance management.

(ii) *The benefits derived like product improvement, cost reduction, product development the benefits derived like product improvement, cost reduction, product development, or import substitution :*

Product improvement/ product development:

Two new Crucible Brands are introduced to increase penetration in two different markets. "DURATEK FF" Crucible for brass and copper foundry and "DURATEK ER" Crucible for aluminium foundry.

Multi-channel CAL-W stopper: increase in number of injection points in stopper nose from one to six in order to improve injection efficiency and reduce clogging on MTNP/ SEN seat. This may help some customer casting special grades for increasing casting duration and also improve steel quality.

CAL-W stopper: by making the argon hole diameter more precise compared to conventional stopper, it is designed to improve consistency in argon back pressure and reduce leakage of argon and thereby improve customer's steel quality.

R&D centre in Visakhapatnam developed high performing super duty tap hole clay Surtap 500Z for large capacity blast furnace, which has now been well established in the market and getting used by multiple customers.

Duragun range of fit-for-purpose gunning products for cement plant application has helped penetrating the market and fuel the revenue growth in our cement Industrial Products business.

Import Substitution:

TOT successfully completed for special application VISO mixes TS1127 & TS1043, which were earlier imported from our manufacturing plant in USA.

(iii) *in case of import technology (imported during last three years reckoned from beginning of the financial year) following information is furnished.*

Tundish Robotic Spray & Ladle Laser Scanner application / monitoring technologies for steel tundish & ladle respectively were imported in 2019 & fully absorbed

(iv) *the expenditure incurred on Research and Development:*

The Company is benefitting from the Group's Research and Development unit at Visakhapatnam which is primarily for monolithic products. The Company has not incurred capital expenditure on R&D, however Rs 3,61,95,540 has been incurred as R&D expenses at the R&D unit at Visakhapatnam. All other R&D support are received from the Vesuvius Group.

(C) Foreign Exchange Earnings and Outgo during the year-

Foreign Exchange Earnings in terms of actual inflows	: Rs. 4,755.62 lakhs
Foreign Exchange outgo in terms of actual outflow	: Rs. 24,216.25 lakhs (including dividend remittance)

ANNEXURE -VIII To The Report of the Directors

PARTICULARS OF EMPLOYEES

for the year ended on December 31, 2019

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) & 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name	Age	No of shares held	Designation	Remuneration (Rs)	Qualification	Experience (years)	Date of commencement of employment	Previous employment & Position held
Top ten employees in terms of remuneration employed during the year & employees in receipt of remuneration aggregating Rs. 1,02,00,000 per annum or more								
Saibal Bandyopadhyay	49	Nil	Materials Technology Director-Flow Control	77,07,195	M.Tech (Polymer Science)	24	12.12.1995	First employment
Amit Banik	47	Nil	General Manager-Iron & Steel Advanced Refractory	51,46,255	B.Tech (Ceramic Engg)	25	07.11.2005	The Associated Cement Companies Ltd, Marketing Manager
Rajeev Chalana	39	Nil	HR Director-Flow Control & Advanced Refractory South Asia	62,38,169	BCA, MBA	18	28.05.2019	Lear Automotive India Private Limited, Senior Manager-HR
Sudarshan Das	54	3500	Marketing & Technology Director-Flow Control BU, South Asia	101,31,690	BE (Metallurgy)	30	09.04.2007	Pyrotek Inc, Canada, Sales Manager [India & Other Asia]
Ritesh Dunganwal	40	Nil	Managing Director	209,39,670	M.Tech (Aerospace Engg)	17	01.01.2019	Cummins Turbo-technologies, India, Country Leader
Arijit Dutta	47	Nil	Financial Controller-Advanced Refractories	54,74,479	ACA	20	19.06.2006	Tata Chemicals Ltd, Manager Accounts
Sanjoy Dutta	58	3200	Finance Director-Flow Control & Advanced Refractory South Asia	106,44,366	B.Com (Hons), ACA	33	24.06.1998	ICI India Ltd, Financial Controller
U K Shashi Kumar	49	10	Commercial Director-Flow Control & Advanced Refractory	93,45,839	B.Tech (Metallurgy)	27	06.09.1994	Murugappa Morgan Thermal Ceramics Ltd, Sales Officer
Bikash Nandi (see Note 4)	51	Nil	Commercial Director-Advanced Refractory	53,09,615	B.Tech (Ceramic Engg)	28	01.07.2000	Carborundum Universal Ltd, Assistant Manager
Subhabrata Nandi	46	Nil	Finance Controller-Flow Control	51,46,024	ACA	22	15.11.2004	SHV Energy Pvt Ltd, Manager-Finance & Accounts
Subrata Roy	54	Nil	Operations Director FC & AR South Asia	161,48,458	BE (Mechanical)	32	06.09.1993	BHEL, Sr Engineer
Taposh Roy	58	1	Corporate Affairs & Compliance Officer	60,87,657	B.Com (Hons), ACA, FCS	34	01.02.2001	BOC India Ltd, Company Secretary
Sivasis Salilkumar Sen (see Note 4)	49	Nil	Chief Financial Officer	26,04,433	ACA	23	01.11.2019	Mars International, Regional Supply Finance Director-Asia Pacific
Akash Sharma	45	Nil	General Manager-Flow Control Sales	57,26,721	BE (Metallurgy)	23	29.10.2018	TIMKEN India Limited, Regional Manager Sales
Vikram Singh (See Note 4)	44	Nil	Legal Director- Flow Control & Advanced Refractory South Asia and Company Secretary	68,29,104	ACS, LLB	17	28.01.2019	Tata Unistore Ltd, Head-Legal & Company Secretary

- Notes :**
1. Nature of Employment and duties : Contractual and in accordance with terms and conditions as per Company's rules.
 2. Remuneration received includes salary, allowances, leave encashed, Company's contribution to retirement funds etc. and monetary value of other perquisites computed on the basis of the Income Tax Act and Rules.
 3. No employee is a relative of any Director or Key Managerial Personnel of the Company. Rule 5(2)(iii) of the captioned Rules is not applicable to any employee.
 4. Employed part of the year.

ANNEXURE -VIII To The Report of the Directors

PARTICULARS OF EMPLOYEES (Contd.)

for the year ended on December 31, 2019

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) & 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Requirements of Rule 5(1)	Details
(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	: Mr Biswadip Gupta : 122 % Mr Patrick Andre : NA Mr Ritesh Dugarwal : 1322% Mr T Ganguly : NA Miss N Palchoudhuri : 104 % Mr Sudipto Sarkar : 104 % Mr J R van der Sluis : NA
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	: Mr Biswadip Gupta : 53 % Mr Patrick Andre : NA Mr Ritesh Dugarwal : Not applicable since joined as Managing Director wef 01.01.2019 Mr T Ganguly : NA Miss N Palchoudhuri : 54 % Mr S Sarkar : 53 % Mr J R van der Sluis : NA Mr S Dutta, CFO : NIL Mr Taposh Roy, Company Secretary : 2%, held office till 26.02.2019. Mr Vikram Singh, Company Secretary : Not applicable since joined as Company Secretary on 27.02.2019. Mr Sivasis Sen CFO : Not applicable since joined as CFO on 01.12.2019.
(iii) the percentage increase in the median remuneration of employees in the financial year;	: 11%
(iv) The number of permanent employees on the rolls of company	: 457 employees as on 31.12.2019
(vii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	: Average Salary increase of non-managerial persons is 10 %. Average increase of managerial persons is 10.5 %. There are no exceptional circumstances in increase in managerial remuneration. Management personnel have availed of leave encashment during the year.
(xii) affirmation that the remuneration is as per the remuneration policy of the company.	: Remuneration paid during the year ended on December 31, 2019 is as per the Remuneration Policy of the Company.

ANNEXURE IX :

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

for the year ended on December 31, 2019

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs : The Corporate Social Responsibility ("CSR") Policy of the Company is available on the Company's website www.vesuviusindia.com
The Policy entails CSR spending on :
1. Education and Skill Development
 2. Health Care
 3. Poverty eradication
 4. Hunger eradication
 5. Women and Child Welfare
 6. Conservation and Environment
2. The Composition of the CSR Committee as on 31.12.2019 : **Chairman** : Mr Biswadip Gupta
Members : Mr Tanmay Ganguly, Miss Nayantara Palchoudhuri, Mr Ritesh Dungarwal and Mr Sudipto Sarkar
3. Average net profit of the Company for last three financial years : Rs 14138 lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : Rs 283 Lakhs
5. Details of CSR spent during the financial year :
- (a) Total amount spent for the financial year : Rs 1,58,05,804
- (b) Amount unspent, if any : Rs 125 lakhs
- (c) Manner in which the amount spent during the financial year is detailed below :

SI. No.	1	2	Total
1	CSR project or activity identified	Education & skill development for differently abled children, underprivileged children and technical education	Aid for Cancer & HIV Patients and rehabilitation
2	Sector in which the Project is covered	Education & Skill Development	Health Care
3	Projects or programs		
	(1) Local area or other	Local	Local & Mumbai
	(2) Specify the State and district where projects or programs were undertaken	Kolkata & suburbs in West Bengal and Visakhapatnam in Andhra Pradesh	Mumbai in Maharashtra and Toranagallu in Karnataka
4	Amount outlay (budget) project or programs wise	Rs 1,26,33,164	Rs 31,72,640
5	Amount spent on the projects or programs Sub-heads :		
	(1) Direct expenditure on projects or programs	Rs 1,26,33,164	Rs 31,72,640
	(2) Overheads:	Rs Nil	Rs Nil
6	Cumulative expenditure up to the reporting period	Rs 1,26,33,164	Rs 31,72,640

ANNEXURE IX :

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (Contd.)
for the year ended on December 31, 2019

SI. No.	1	2	Total	
7	Amount spent: Direct or through implementing agency	1. Indian Institute of Cerebral Palsy, Kolkata – Rs. 40,59,235 2. Mukti Rehabilitation Centre, Kolkata – Rs. 15,90,000 3. Ramakrishna Mission Shilpapitha, Kolkata – Rs. 13,62,000 4. Women's Coordinating Council (WCC), Kolkata – Rs. 23,16,000 5. Childlife Preserve Shisur Sevay, Kolkata – Rs. 11,85,600 6. Nabadisha School CSR, Kolkata – Rs. 3,16,666 7. RK Mission Ashrama, Cerebral Palsy School, Vizag – Rs. 6,53,000 8. Priyadarsini Service Organisation, School for Deaf and Dumb, Vizag – Rs. 7,50,663 9. Ramakrishna Mission Boy's Home, Kolkata – Rs. 4,00,000	1. Organization for Friends, Energies and Resources (OFFER), Kolkata – Rs. 15,00,000 2. Bio Toilets, Toranagallu – Rs. 14,72,640 3. Anandam Cancer Care, Mumbai – Rs. 2,00,000	Rs 1,58,05,804

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. : Vesuvius is committed to positively contribute to the future of the planet by supporting education opportunities for children and youth, as well as those coming from disadvantaged background and especially encouraging more women into scientific / technical fields of education as well as to support in healthcare, hunger/poverty eradication and their welfare and such other activities covered under CSR Policy. These CSR initiatives should be sustainable and with the long term purpose of improving the quality of living for the less privileged and for increasing social assets. The Company has progressively increased its CSR Spend during the year on education, healthcare and welfare on existing CSR Projects and also added new projects approved by the Committee. There are several new projects which the CSR Committee is evaluating basis needs, justification of the spend, sustainability and the capability of these projects to improve social assets. The Company remains committed and is better prepared to meet its obligations related with CSR spend during the next financial year 2020.
7. **Responsibility Statement** : The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with the CSR Policy and objectives of the Company.

Ritesh Dungarwal
Managing Director,
Member, CSR Committee

Biswadip Gupta
Chairman,
CSR Committee

Vikram Singh
Secretary,
CSR Committee

Place : Kolkata
Date : February 21, 2020

ANNEXURE X :
MANAGING DIRECTOR'S CERTIFICATE

**ANNUAL CERTIFICATE UNDER REGULATION 34(3)
READ WITH PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

DECLARATION

As required under Regulation 34(3) read with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all Members of the Board of Directors of the Company and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended on December 31, 2019.



Ritesh Dugarwal
Managing Director
(DIN : 08136275)

Place : Kolkata
Date : February 12, 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VESUVIUS INDIA LIMITED

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Vesuvius India Limited ("the Company"), which comprise the Balance Sheet as at December, 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December, 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of Recognition of Revenue under Ind AS 115

[Refer note 2.9 to the financial statements]

The Company recognises revenue from sale of goods and rendering of services when control has been transferred to the customer as detailed out in the significant accounting policy.

Recognition of revenue depends on the performance obligations related to sale of products and rendering of services, payment terms and total consideration (including variable consideration) determined, which vary across contracts with customers. Accordingly, the amount and timing of recognition of revenue is assessed by the Company based on the timing of the satisfaction of the performance obligations under a contract. There is a risk of inappropriate revenue recognition if revenue is not accounted for in accordance with contractual terms of the respective arrangements with the customers.

The appropriateness of recognition of revenue is a key audit matter considering the significance of the amounts involved.

How our audit addressed the key audit matter

Our audit procedures in relation to revenue recognition included the following:

- Obtained an understanding of controls on revenue recognition and tested the operating effectiveness of the key controls,
- Read the agreements (including purchase orders) on a sample basis,
- Performed testing to ensure the revenue transactions have been recorded and the related performance obligations as per the selected contracts have been fulfilled,
- Testing of a sample of payments received and adjustments for variable consideration, and
- Assessed adequacy of presentation and disclosure.

Based on the above stated procedures, no exceptions were noted by us in revenue recognition including those relating to presentation and disclosures as required by the applicable accounting standard

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VESUVIUS INDIA LIMITED (Contd.)

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Directors and Management Discussion and Analysis Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on December 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 35 to the financial statements;
 - ii. The Company has long-term contracts as at December 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at December 31, 2019.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VESUVIUS INDIA LIMITED (Contd.)

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended December 31, 2019.
15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants

Sougata Mukherjee

Partner

Membership Number: 057084

UDIN: 20057084AAAABC2908

Kolkata
February 21, 2020

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14 (f) of the Independent Auditors' Report of even date to the members of Vesuvius India Limited on the financial statements for the year ended December 31, 2019

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Vesuvius India Limited ("the Company") as of December 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference

to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at December 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Kolkata
February 21, 2020

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

Sougata Mukherjee

Partner

Membership Number: 057084

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Vesuvius India Limited on the financial statements as of and for the year ended December 31, 2019

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 3 on Property, Plant and equipment to the financial statements, are held in the name of the Company, except for leasehold land at Kolkata as stated in aforesaid Note 3, for which renewal of lease is under progress.
- ii. The physical verification of inventory except for goods in transit have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 35 to the financial statements regarding management's assessment on certain matters relating to provident fund.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, value added tax and goods and service tax as at December 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (in Rs. Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Disallowances arising in income tax proceedings (Net of Deposits of Rs. 4,307 lakhs)	156	Assessment Year 2007-08 and 2014-15	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Disallowances of Cenvat credit (Net of Deposits of Rs. 10 lakhs)	261	2006 to 2017	Central Excise and Service Tax Appellate Tribunal, Additional Commissioner, Assistant Commissioner, Commissioner (Appeals)
Finance Act, 1994	Non / short payment of service tax	12	2006 to 2008	Central Excise and Service Tax Appellate Tribunal

Name of the statute	Nature of dues	Amount (in Rs. Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Non-submission of forms (net of deposits of Rs. 143 lakhs)	452	2005-06, 2011 to 2014, 2015 to 2018	Sales Tax Appellate Tribunal, Commissioner (Appeals), Additional Commissioner (Appeals), Senior Joint Commissioner
Central Sales Tax Act, 1956	Disallowance of stock transfer	2,723	2008 to 2012	Sales Tax Appellate Tribunal
West Bengal Value Added Tax Act, 2003	Non-submission of forms (net of deposits of Rs. 18 lakhs)	167	2011-12, 2013-14, 2015-16 and 2017-18	Commissioner (Appeals) , Senior Joint Commissioner
Andhra Pradesh Value Added Tax Act, 2005	Denial of input credits (net of deposits of Rs. 24 lakhs)	21	2011 to 2013	Sales Tax Appellate Tribunal
Andhra Pradesh Value Added Tax Act, 2005	Disallowance of stock transfer (net of deposits of Rs. 4.60 lakhs)	14	2010 to 2011	Commissioner (Appeals)
Karnataka Value Added Tax Act, 2003	Denial of Inputs credits (Net of deposits of Rs. 99 lakhs)	100	2005 to 2007	Hon'ble Supreme Court of India

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 15 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sougata Mukherjee
Partner
Membership Number: 057084

Kolkata
February 21, 2020

Balance Sheet

as at December 31, 2019

(Amount in Rupees Lakhs, unless stated otherwise)

	Notes	As at December 31, 2019	As at December 31, 2018
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	12,314	11,929
(b) Capital work-in-progress	4	2,773	2,604
(c) Intangible assets	5	78	149
(d) Financial assets			
(i) Trade receivables	6	447	-
(ii) Loans	7	96	93
(iii) Other financial assets	8	243	230
(e) Non current tax asset (net)	9	1,970	1,820
(f) Deferred tax assets	10	1,177	1,153
(g) Other non-current assets	11	904	534
Total non-current assets		20,002	18,512
(2) Current assets			
(a) Inventories	12	10,753	12,310
(b) Financial assets			
(i) Trade receivables	13	18,769	18,141
(ii) Cash and cash equivalents	14	46,793	11,383
(iii) Bank balances other than (ii) above	15	52	30,550
(iv) Loans	16	32	33
(v) Other financial assets	17	291	275
(c) Other current assets	18	1,422	1,337
Total current assets		78,112	74,029
Total assets		98,114	92,541
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	2,030	2,030
(b) Other equity	19	78,415	71,749
Total equity		80,445	73,779
Liabilities			
(1) Non-current liabilities			
(a) Long-term provisions	20	1,786	1,247
Total non-current liabilities		1,786	1,247
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	21	267	242
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	21	12,175	14,098
(ii) Other financial liabilities	22	1,405	1,392
(b) Other current liabilities	23	796	552
(c) Short-term provisions	24	18	9
(d) Current tax liabilities (net)	25	1,222	1,222
Total current liabilities		15,883	17,515
Total liabilities		17,669	18,762
Total equity and liabilities		98,114	92,541

The notes 1 to 47 form an integral part of the financial statements.
This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors

Vesuvius India Limited

CIN:L26933WB1991PLC052968

For **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm's Registration No. 012754N/N500016

Sougata Mukherjee

Partner

Membership No. 057084

Place: Kolkata

Date: February 21, 2020

Ritesh Dugarwal

Managing Director

DIN: 08136275

Vikram Singh

Company Secretary

Place: Kolkata

Date: February 21, 2020

Biswadip Gupta

Chairman

DIN : 00048258

Sivasis Sen

Chief Financial Officer

Statement of Profit and Loss for the year ended December 31, 2019

(Amount in Rupees Lakhs, unless stated otherwise)

Particulars	Notes	For the year ended December 31, 2019	For the year ended December 31, 2018
(a) Revenue from operations	26	88,704	92,507
(b) Other income	27	2,923	2,277
Total income		91,627	94,784
Expenses			
(a) Cost of materials consumed	28	33,883	36,161
(b) Purchase of stock-in-trade	29	17,106	20,276
(c) Changes in inventories of finished goods, work-in progress and stock-in-trade	30	134	(2,906)
(d) Employee benefits expense	31	6,550	5,835
(e) Depreciation and amortisation expense	32	2,655	2,781
(f) Other expenses	33	18,958	18,400
Total expenses		79,286	80,547
Profit before tax		12,341	14,237
Tax expense			
- Current tax	43	3,748	5,250
- Deferred tax	43	38	(265)
Total tax expense		3,786	4,985
Profit for the year		8,555	9,252
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurements gains / (losses) of post-employment benefit obligations	44	(239)	135
(b) Income-tax relating to above items	43	63	(47)
Other comprehensive income for the year, net of tax		(176)	88
Total comprehensive income for the year		8,379	9,340
Earnings per equity share:	34		
Face value Rs. 10 each (2018: Rs. 10 each)			
Basic earnings per share		42.15	45.59
Diluted earnings per share		42.15	45.59

The notes 1 to 47 form an integral part of the financial statements.
This is the Statement of Profit and Loss referred to in our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Chartered Accountants
Firm's Registration No. 012754N/N500016
Sougata Mukherjee
Partner
Membership No. 057084
Place: Kolkata
Date: February 21, 2020

For and on behalf of the Board of Directors

Vesuvius India Limited

CIN:L26933WB1991PLC052968

Ritesh Dugarwal
Managing Director
DIN: 08136275

Vikram Singh
Company Secretary

Place: Kolkata
Date: February 21, 2020

Biswadip Gupta
Chairman
DIN : 00048258

Sivasis Sen
Chief Financial Officer

Statement of Cash Flows

for the year ended December 31, 2019

(Amount in Rupees Lakhs, unless stated otherwise)

	For the year ended December 31, 2019	For the year ended December 31, 2018
Cash flows from operating activities		
Net profit before tax	12,341	14,237
Adjustments for:		
Depreciation and amortisation expenses	2,655	2,781
Provision for doubtful trade receivables/advances	524	24
Provision for doubtful trade receivables written back	(25)	(16)
Loss/(gain) on sale/disposal/discard of property, plant and equipment (net) *	-	(10)
Unrealised loss/(gain) foreign exchange differences (net)	87	(78)
Interest income on fixed deposits	(2,342)	(2,096)
Operating profit before working capital changes	13,240	14,842
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	(1,570)	3,838
Inventories	1,557	(2,836)
Loans - non-current and current	(2)	(1)
Other financial assets - Current	(1)	52
Other financial assets - Non Current	(13)	(45)
Other non current assets	(373)	(55)
Other current assets	(85)	(345)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(1,989)	(882)
Other current liabilities	244	105
Other financial liabilities - current	6	(104)
Long-term and Short-term provisions	309	133
Cash generated from operations	11,323	14,702
Income taxes paid	(3,898)	(5,238)
Net cash from operating activities (A)	7,425	9,464
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment including capital advances	(3,130)	(2,506)
Proceeds from disposal of property, plant and equipment *	-	67
Interest received	2,328	1,985
Redemption/(Purchase) of fixed deposits (with maturity more than three months)	30,500	(30,500)
Net cash from investing activities (B)	29,698	(30,954)
Cash flows from financing activities		
Dividend paid	(1,421)	(1,370)
Dividend tax paid	(292)	(282)
Net cash used in financing activities (C)	(1,713)	(1,652)
Net increase in cash and cash equivalents (A+B+C)	35,410	(23,142)
Cash and cash equivalents at the beginning of the year (refer note I below)	11,383	34,525
Cash and cash equivalents at the end of the year (refer note I below)	46,793	11,383

*Below rounding off amount

Notes to Statement of Cash Flows

(Amount in Rupees Lakhs, unless stated otherwise)

	For the year ended December 31, 2019	For the year ended December 31, 2018
I. Components of cash and cash equivalents:		
Cash on hand	1	1
Balances with scheduled banks:		
- On current accounts	1,792	1,882
- On deposit accounts (deposits having original maturity of 3 months or less)	45,000	9,500
Cash and cash equivalents as per note 14	46,793	11,383

II. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) - Statement Cash Flows specified under Section 133 of the Companies Act, 2013.

The notes 1 to 47 form an integral part of the financial statements.
This is the Statement of Cash Flows referred to in our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Chartered Accountants
Firm's Registration No. 012754N/N500016
Sougata Mukherjee
Partner
Membership No. 057084
Place: Kolkata
Date: February 21, 2020

For and on behalf of the Board of Directors

Vesuvius India Limited

CIN:L26933WB1991PLC052968

Ritesh Dugarwal
Managing Director
DIN: 08136275

Vikram Singh
Company Secretary

Place: Kolkata
Date: February 21, 2020

Biswadip Gupta
Chairman
DIN : 00048258

Sivasis Sen
Chief Financial Officer

Statement of Changes in Equity for the year ended December 31, 2019

(Amount in Rupees Lakhs, unless stated otherwise)

A. Equity share capital

Description	Notes	Amount
As at January 1, 2018	19	2,030
Changes in equity share capital		-
As at December 31, 2018		2,030
Changes in equity share capital		-
As at December 31, 2019		2,030

B. Other equity

Description	Notes	Reserve and surplus				Total other equity
		Capital reserve	Securities premium	General reserve	Retained earnings	
Balance at January 1, 2018	19	18	1,695	6,829	55,519	64,061
Profit for the year		-	-	-	9,252	9,252
Other comprehensive income		-	-	-	88	88
Total comprehensive income for the year		-	-	-	9,340	9,340
Dividends paid (including dividend distribution tax thereon of Rs. 282)		-	-	-	(1,652)	(1,652)
Balance at December 31, 2018		18	1,695	6,829	63,207	71,749

Description	Notes	Reserve and surplus				Total other equity
		Capital reserve	Securities premium	General reserve	Retained earnings	
Balance at January 1, 2019	19	18	1,695	6,829	63,207	71,749
Profit for the year		-	-	-	8,555	8,555
Other comprehensive income		-	-	-	(176)	(176)
Total comprehensive income for the year		-	-	-	8,379	8,379
Dividends paid (Including dividend distribution tax thereon of Rs. 292)		-	-	-	(1,713)	(1,713)
Balance as at December 31, 2019		18	1,695	6,829	69,873	78,415

The notes 1 to 47 form an integral part of the financial statements.

This is the Statement of Changes in Equity referred to in our report of even date

For **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm's Registration No. 012754N/N500016

Sougata Mukherjee

Partner

Membership No. 057084

Place: Kolkata

Date: February 21, 2020

For and on behalf of the Board of Directors

Vesuvius India Limited

CIN:L26933WB1991PLC052968

Ritesh Dugarwal

Managing Director

DIN: 08136275

Vikram Singh

Company Secretary

Place: Kolkata

Date: February 21, 2020

Biswadi Gupta

Chairman

DIN : 00048258

Sivasis Sen

Chief Financial Officer

Notes forming part of financial statements

Note 1 Company overview

Vesuvius India Limited (“the Company”) is a public company domiciled and headquartered in India. It is incorporated under the Companies Act, 1956 and its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is primarily engaged in the manufacturing and trading of refractory goods. The Company also provides services in relation to refractory goods. The Company has operations in India and caters to both domestic and international markets. The Company do not have a subsidiary, associates and joint ventures.

Note 1.1 Approval for issue

These financial statements were approved for issue with a resolution of the Board of Directors on February 21, 2020.

Note 2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated (Refer note 2.9 & 26).

Note 2.1 Basis of preparation:

(i) Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 as amended] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on an accrual basis and under the historical cost convention except for the following assets and liabilities which have been measured at fair value or revalued amount:

- defined benefit plans - plan assets measured at fair value; and
- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

(iii) Classification of assets and liabilities

The classification of assets and liabilities into current and non-current, wherever applicable, are based on normal operating cycle of business activities of the Company, which is twelve months.

Note 2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amount of assets, liabilities, income and expenses and disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Underlying estimates are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Note 2.3 Property, plant and equipment:

Freehold land is carried at historical cost. All other items of Property, plant and equipment are shown at cost, less accumulated depreciation and impairment, if any. The cost of an item of property, plant and equipment comprises its cost of acquisition inclusive of inward freight, import duties, and other non-refundable taxes or levies and any directly attributable to the acquisition / construction of those items; any trade discounts and rebates are deducted in arriving at the cost of acquisition.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Property, plant and equipment is eliminated from the financial statements on disposal or on its classification as non-current assets held for disposal.

Gain or losses arising on disposal of property, plant and equipment are recognised in profit or loss.

Note 2.4 Capital Work in Progress

Property, plant and equipment under construction are disclosed as capital work in progress.

Notes forming part of financial statements (Contd.)

Note 2.5 Intangible assets

Intangible assets are recorded at the cost incurred for its acquisition and are carried at cost less amortization and impairment, if any. Cost of intangible asset is capitalized where it is expected to provide future enduring economic benefits and the cost can be measured reliably. Capitalization costs include license fees and costs of implementation/system integration services. The costs are capitalised in the year in which the relevant intangible asset is put to use.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific assets to which it relates.

An intangible asset is eliminated from the financial statements on disposal / discarding or on its classification as non-current assets held for disposal.

Gain or losses arising on disposal / discarding of intangible assets are recognised in profit or loss.

Note 2.6 Depreciation and amortisation:

Property, plant and equipment

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

The useful lives have been determined based on technical evaluation done by the management's expert which are mostly in line with the useful life specified by Schedule II to the Companies Act, 2013, except for certain assets in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The useful life of the assets are provided hereunder:

- (i) Buildings - 30 years
- (ii) Plant and machinery other than customer installations - 15 years
- (iii) Customer Installation - up to 5 years
- (iv) Toolings - 3 years
- (v) Electrical Installation - 10 years
- (vi) Furniture and Fixtures - 5 years
- (vii) Office equipment - 5 years
- (viii) Computer Hardwares - 6 years

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

Pro-rata depreciation is charged on property, plant and equipment from/ up to the date on which such assets are ready to put to use/ are deleted or discarded.

Intangible assets

Intangible assets are amortised over their respective individual estimated useful life on a straight line basis.

Computer software is classified as an intangible asset and amortised on a straight line basis over a period of three years.

Pro-rata amortization is charged on intangible assets from / up to the date on which such assets are acquired for use / are deleted or discarded.

Individual items of property, plant and equipment and intangible asset valuing Rs. 5,000/- or less is fully depreciated or amortized in the year of acquisition or put to use.

In respect of assets whose useful life is revised, the unamortised depreciable amount is charged over the revised remaining useful life of the assets.

Leasehold properties are amortised evenly over the period of the lease except for land acquired on perpetual lease.

Note 2.7 Impairment of assets

At the date of balance sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognised. The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in the profit or loss.

The impairment loss recognised in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

Note 2.8 Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases other directly attributable expenditure, non-refundable taxes and duties; net of any rebates or discounts. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average cost basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 2.9 Revenue recognition**(i) Revenue from Goods and Services**

Revenue is recognized upon transfer of control of promised products or services to customers either over time or at a point of time at an amount that reflects the consideration the Company expects to be entitled to in exchange for those products or services. Control is defined as the ability to direct the use of and obtain substantially all of the economic benefits from an asset.

(ii) Revenue from services

Revenue from services is recognised when the services are rendered in accordance with the specific terms of contract and when collectability of the resulting receivable is reasonably assured.

Revenue from the delivery of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual Incoterms agreed in the customer contract.

Revenue from contracts for management contract services, revenue is recognized over time on the basis using the output-oriented method (e.g. quantity of steel produced). Revenue from providing services is recognized in the accounting period in which the services are rendered.

Revenue is measured based on the transaction price, which is the expected consideration to be received, to the extent that it is highly probable that there will not be a significant reversal of revenue in future periods. If the consideration in a contract includes a variable amount, at the inception of the contract, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer.

At the inception of the contract, the Company identifies the goods or services promised in the contract and assesses which of the promised goods or services shall be identified as separate performance obligations. Promised goods or services give rise to separate performance obligations if they are capable of being distinct.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable, depending on whether something other than the passage of time is required before the consideration is due.

(ii) Interest income

Interest income is accounted for on accrual basis in time proportion inclusive of related tax deducted at source.

(iii) Export incentives

Export incentives in the form of Duty Drawback scheme and Status Holder Incentive Scrip (SHIC) are recognised on accrual basis against goods exported.

Note 2.10 Government grant/ subsidy

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Notes forming part of financial statements (Contd.)

Note 2.11 Taxes on income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Note 2.12 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

- defined contribution plans such as provident fund and pension
- defined benefit plans such as gratuity; and

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the profit or loss during the period in which the employee renders the related service.

The Company has a defined contribution employee retirement scheme in the form of pension. The Trustees of the scheme have entrusted the administration of the related fund to the Life Insurance Corporation of India (LIC). The Company's contribution to LIC is recognised as an expense in the profit or loss during the period in which the employee renders the related service.

(b) Defined benefit plans

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

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the profit or loss.

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

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

(iii) Other long-term employee benefit obligations

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Note 2.13 Foreign currency transactions and balances

Items included in the financial statements of Company are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The Company’s financial statements are presented in Indian Rupees, which is also the Company’s functional and presentation currency.

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

Note 2.14 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A restructuring provision is recognised when there is a detailed formal plan for the restructuring which has raised a valid expectation in those affected. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring.

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 disclosed in the financial statements.

Note 2.15 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date, wherever required.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Notes forming part of financial statements (Contd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Note 2.16 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. All the financial assets and liabilities are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial asset and financial liabilities (other than financial assets and liabilities carried at fair value through profit or loss) are added or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Note 2.17 Financial assets

Classification and Measurement

All the financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial asset (other than financial assets carried at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

Subsequent measurement of a financial assets depends on its classification i.e., financial assets carried at amortised cost or fair value (either through other comprehensive income or through profit or loss). Such classification is determined on the basis of Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company's financial assets primarily consists of cash and cash equivalents, trade receivables, loans to employees and security deposits etc. which are classified as financial assets carried at amortised cost.

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a financial assets that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. For trade receivables, the Company provides for lifetime expected credit losses recognised from initial recognition of the receivables.

For other financial assets, the impairment methodology applied depends on whether there has been a significant increase in credit risk from initial recognition or not and in case of significant increase in credit risk, life time expected credit losses being provided, otherwise twelve months expected credit loss is being considered.

Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Income recognition

Interest income

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Note 2.18 Off-setting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Note 2.19 Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

The Company's financial liabilities primarily includes trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities carried at fair value through profit or loss) are added or deducted from the fair value measured on initial recognition of financial liability. Financial liabilities are classified as subsequently measured at amortised cost.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

Note 2.20 Leases**As a lessee**

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Note 2.21 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or

Notes forming part of financial statements (Contd.)

payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Note 2.22 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Note 2.23 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

Note 2.24 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Note 2.25 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note 2.26 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 Companies (Indian Accounting Standards) Second Amendment Rules, 2018 containing the following new amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018.

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 establishes a single model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard, Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts" when it becomes effective.

The core principle of Ind AS 115 is that, an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods or services. The new standard also requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue.

The Company did not expect any significant impact on adoption of Ind AS 115 on its financial statements.

Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration

The appendix clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The Company is in the process of evaluating the requirement of the above amendment on the financial statements.

Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance.

The amendments allow entities the option of recording non-monetary government grants at a nominal amount and presenting government grants related to assets by deducting the grant from the carrying amount of the asset.

The Company is in the process of evaluating the requirement of the above amendment on the financial statements.

Note 2.26 Use of estimates and judgements

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities, estimation for employee defined benefits obligations etc.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been explained under Note 2.11.

Provisions and contingent liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and changes required, if any, are made to reflect the current best estimates.

Employee defined benefit obligation

For estimates relating to employee defined benefit obligations. Refer Note 44

Note 2.27 Recent Accounting Pronouncements

The Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 including the following amendments to Ind AS which the Company has not applied in these financial statements as they are effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 – ‘Leases’

Ind AS 116 will impact primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for almost all lease contracts. An optional exemption exists for short-term and low-value leases.

Appendix C, ‘Uncertainty over Income Tax Treatments’, to Ind AS 12, ‘Income Taxes’

This appendix clarifies how the recognition and measurement requirements of Ind AS 12 ‘Income Taxes’, are applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Company is in the process of evaluating the requirement of the above amendments but do not expect any significant impact on its financial statements.

Notes forming part of financial statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

3. Property, plant and equipment

Particulars	Freehold land	Leasehold land	Freehold Buildings	Plant and equipments	Toolings	Furniture and fixtures	Vehicles	Office equipment including computers	Electrical installations	Total
Gross Block										
Balance as at January 1, 2018	274	189	3,634	9,780	2,298	96	1	397	348	17,017
Additions during the year	-	-	768	1,442	702	67	-	217	203	3,399
Discarded /disposed off during the year	-	-	-	1,579	-	-	-	250	-	1,829
Balance as at December 31, 2018	274	189	4,402	9,643	3,000	163	1	364	551	18,587
Balance as at January 1, 2019	274	189	4,402	9,643	3,000	163	1	364	551	18,587
Additions during the year	-	-	101	1,922	615	-	-	302	29	2,969
Discarded /disposed off during the year	-	-	-	-	-	11	-	13	3	27
Balance as at December 31, 2019	274	189	4,503	11,565	3,615	152	1	653	577	21,529
Accumulated depreciation										
Balance as at January 1, 2018	-	64	337	3,696	1,243	56	-	186	132	5,714
Depreciation for the year	-	29	195	1,563	695	51	-	116	67	2,716
Accumulated depreciation on discard/disposals	-	-	-	1,522	-	-	-	250	-	1,772
Balance as at December 31, 2018	-	93	532	3,737	1,938	107	-	52	199	6,658
Balance as at January 1, 2019	-	93	532	3,737	1,938	107	-	52	199	6,658
Depreciation for the year	-	29	206	1,436	694	14	-	134	71	2,584
Accumulated depreciation on discard/disposals	-	-	-	-	-	11	-	13	3	27
Balance as at December 31, 2019	-	122	738	5,173	2,632	110	-	173	267	9,215
Net carrying amount										
Balance as at January 1, 2018	274	125	3,297	6,084	1,055	40	1	211	216	11,303
Balance as at December 31, 2018	274	96	3,870	5,906	1,062	56	1	312	352	11,929
Balance as at December 31, 2019	274	67	3,765	6,392	983	42	1	480	310	12,314

Notes: (i) All the above assets are owned by the Company, except those specifically identified as leasehold.

(ii) Building includes carrying amount of Rs. 1,813 [December 31, 2018: Rs. 1,856] and Rs. 113 [December 31, 2018: Rs 119] situated at leasehold lands at Kolkata and Mehsana respectively.

(iii) Leasehold land includes 20,187 sq. meters of land at Kolkata for which renewal of the lease agreement is under progress.

(Amount in Rupees Lakhs, unless stated otherwise)

4. Capital work-in-progress

Particulars	Capital work-in-progress
Gross Block	
Balance as at January 1, 2018	3,809
Additions during the year	1,492
Capitalisation during the year	(2,697)
Balance as at December 31, 2018	2,604
Balance as at January 1, 2019	2,604
Additions during the year	2,523
Capitalisation during the year	(2,354)
Balance as at December 31, 2019	2,773

Note:

Includes Rs. 969 paid for freehold land at Visakhapatnam acquired from Andhra Pradesh Industrial Infrastructure Corporation Limited ("APIIC") for which agreement to sale has been executed. Construction on this plot has not yet been approved by Visakhapatnam Urban Development Authority due to Buffer Zone. The management has requested APIIC for extension of time or granting alternate land. Management believes that APIIC will either grant extension of time or provide an alternate land to enable commencement of project.

5. Intangible assets

Particulars	Computer Software
Gross Block	
Balance as at January 1, 2018	15
Additions	208
Discard/disposals	-
Balance as at December 31, 2018	223
Balance as at January 1, 2019	223
Additions	-
Discard/disposals	-
Balance as at December 31, 2019	223
Accumulated amortisation	
Balance as at January 1, 2018	9
Depreciation for the year	65
Accumulated depreciation on discard/disposals	-
Balance as at December 31, 2018	74
Balance as at January 1, 2019	74
Depreciation for the year	71
Accumulated depreciation on discard/disposals	-
Balance as at December 31, 2019	145
Net carrying amount	
Balance as at January 1, 2018	6
Balance as at December 31, 2018	149
Balance as at December 31, 2019	78

6. Trade receivables - Non current

	As at December 31, 2019	As at December 31, 2018
Trade receivables		
Receivables from others		
Unsecured, considered good	447	-
Unsecured, considered doubtful	450	-
Less: Allowance for doubtful debts [Refer note 41(A)]	(450)	-
Total trade receivables	447	-

7. Loans - Non current

	As at December 31, 2019	As at December 31, 2018
Unsecured - considered good		
Loans to employee	96	93
Total loans financial assets - Non current	96	93

8. Other financial assets - Non current

	As at December 31, 2019	As at December 31, 2018
Unsecured - considered good		
Security Deposits	243	230
Total other financial assets - Non current	243	230

Notes forming part of financial statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

9. Non current tax asset (net)	As at December 31, 2019	As at December 31, 2018
Advance income tax and fringe benefit tax [net of provision for income tax and fringe benefit tax of Rs. 33,216 (December 31, 2018: 29,467)]	1,970	1,820
Total non current tax asset (net)	1,970	1,820
10. Deferred tax assets		
Deferred tax assets		
Difference between written down value of depreciable assets as per books of account and written down value as per Income-tax Act	290	245
Expenditure allowable on payments basis	641	730
Provision for doubtful trade receivables, advances, etc.	230	145
Voluntary retirement expenses	16	33
Total Deferred tax assets	1,177	1,153
11. Other non-current assets		
Capital advances	169	172
Prepaid expenses	53	89
Deposits against demand in disputes	682	273
Total other non-current assets	904	534
12. Inventories		
Raw Materials [including goods in transit Rs. 893 (December 31, 2018 : 2,053)]	3,812	5,282
Work-in-progress	955	1,044
Finished goods	3,094	3,211
Stock-in-trade [including goods in transit Rs. 564 (December 31, 2018 : 625)]	2,124	2,052
Stores and spares	768	721
Total inventories	10,753	12,310
13. Trade receivables		
Trade receivables		
Receivables from related parties (Refer note 39)	248	175
Unsecured, considered good		
Receivables from others		
Unsecured, considered good	18,521	17,966
Unsecured, considered doubtful	464	415
Less: Allowance for doubtful debts [Refer note 41(A)]	(464)	(415)
Total trade receivables	18,769	18,141
14. Cash and cash equivalents		
Cash on hand	1	1
Balances with banks		
On current accounts	1,792	1,882
On deposit accounts (with original maturity of 3 months or less)	45,000	9,500
Total cash and cash equivalents	46,793	11,383

(Amount in Rupees Lakhs, unless stated otherwise)

15. Other bank balances	As at December 31, 2019	As at December 31, 2018
On Unpaid dividend account*	52	50
Bank deposits due to mature after 3 months of original maturity but within 12 months of the reporting date	-	30,500
Total other bank balances	52	30,550

* Not available for use by the Company

16. Loans - Current

Unsecured considered good		
Loans to employees	32	33
Total Loans - current	32	33

17. Other financial assets - Current

Unsecured considered good		
Interest accrued but not due on fixed deposits	278	263
Security deposit	13	12
Total other financial assets - current	291	275

18. Other current assets

Advances to employees	72	80
Export benefit receivable	184	316
Prepaid expenses	471	375
Advances for supply of goods and services		
Unsecured, considered good	147	187
Balances with statutory/government authorities	548	360
Other Receivable	-	19
Total other financial assets - current	1,422	1,337

Notes :

(i) movements in allowance of credit losses of receivables is as below:	As at December 31, 2019	As at December 31, 2018
Balance at the beginning of the year	415	407
Charge/(release) during the year	499	8
Utilised during the year	-	-
Balance at the end of the year	914	415

ii) Ageing of trade receivable and credit risk arising therefrom is as below:

	As at December 31, 2019		
	Gross Credit Risk	Allowances for Credit Losses	Net Credit risk
Amount not yet due	13,773	185	13,588
One month overdue	3,103	39	3,064
Two month Overdue	696	9	687
Three month overdue	372	5	367
Between Three to six month overdue	707	9	698
Greater than six months	1,479	667	812
	20,130	914	19,216

Notes forming part of financial statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

ii) Ageing of trade receivable and credit risk arising therefrom is as below:

	As at December 31, 2018		
	Gross Credit Risk	Allowances for Credit Losses	Net Credit risk
Amount not yet due	11,832	90	11,742
One month overdue	2,402	17	2,385
Two month Overdue	1,397	11	1,386
Three month overdue	845	6	839
Between Three to six month overdue	627	5	622
Greater than six months	1,453	286	1,167
	18,556	415	18,141

19. Equity share capital and other equity

(A) Equity share capital

(a) Authorised, issued and subscribed equity share capital

	As at December 31, 2019	As at December 31, 2018
Authorised:		
25,000,000 (December 31, 2018 : 25,000,000)		
Equity shares of Rs. 10 each	2,500	2,500
	2,500	2,500
Issued:		
20,300,000 (December 31, 2018 : 20,300,000)		
Equity shares of Rs. 10 each	2,030	2,030
	2,030	2,030
Out of the above, 3,920 (December 31, 2018 : 3,920)		
Equity shares of Rs. 10 each are held in abeyance		
Subscribed and fully paid up		
20,296,080 (December 31, 2018 : 20,296,080)		
Equity shares of Rs. 10 each	2,030	2,030
	2,030	2,030

Note:

Shares held in abeyance

In compliance with the provisions of Section 126 of the Companies Act, 2013, offer of rights shares of 3,920 equity shares out of the rights issue made in the year 1997 have been held in abeyance.

(b) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at December 31, 2019		As at December 31, 2018	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	20,296,080	2,030	20,296,080	2,030
Shares issued during the year	-	-	-	-
At the end of the year	20,296,080	2,030	20,296,080	2,030

(c) Terms/ rights attached to equity shares

The Company has a single class of equity shares with par value of Rs. 10/- per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. Equity shares held by Investor Education and Protection Fund do not have voting rights.

(Amount in Rupees Lakhs, unless stated otherwise)

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(d) Shares of the company held by its holding company or its ultimate holding company

Shareholder	As at December 31, 2019		As at December 31, 2018	
	No. of shares	% holding	No. of shares	% holding
Vesuvius Group Limited, United Kingdom (U.K.) *#	11,277,650	55.57%	11,277,650	55.57%

* Subsidiary of Vesuvius plc, U.K., ultimate holding company.

The companies, namely Vesuvius plc U.K., Vesuvius Holdings Limited (formerly, Cookson Group plc) and Vesuvius Financial 1 Limited (formerly, Cookson Financial Limited), all incorporated in the United Kingdom, do not hold any shares of Vesuvius India Limited directly but are holding company of Vesuvius India Limited through a chain of subsidiary holdings.

(e) Details of each shareholder holding more than five per cent

Shareholder	As at December 31, 2019		As at December 31, 2018	
	No. of shares	% holding	No. of shares	% holding
Vesuvius Group Limited, U.K., (Immediate holding company)	11,277,650	55.57%	11,277,650	55.57%
HDFC Trustee Company Limited	1,863,620	9.18%	1,805,520	8.90%
Reliance Capital Trustee Company Limited	1,868,342	9.21%	2,018,957	9.95%

(B) Other equity

	As at December 31, 2019	As at December 31, 2018
Reserves and surplus		
Capital Reserves [Refer Note (a)]		
At the beginning and at the end of the year	18	18
Securities premium account [Refer Note (b)]		
At the beginning and at the end of the year	1,695	1,695
General reserve [Refer Note (c)]		
At the beginning and at the end of the year	6,829	6,829
Retained earnings [Refer Note (d)]		
At the beginning of the year	63,207	55,519
Profit for the year	8,555	9,252
Other comprehensive income for the year	(176)	88
Dividend paid including taxes thereon [Refer Note (e)]	(1,713)	(1,652)
At the end of the year	69,873	63,207
Total Reserves and Surplus	78,415	71,749

Note

(a) Capital reserve

Represents grants received in prior years against re-imburement of stamp duty and cost of freehold land at Visakhapatnam.

(b) Securities premium

Securities premium is used to record the premium on issue of shares. The same is to be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.

(c) General reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

(d) Retained earnings

Retained earnings represents the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions to shareholders etc.

Notes forming part of financial statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

(e) Dividends and taxes thereon

During the year 2019 the Company's shareholders have declared dividend of Rs. 7.00 per share (2018 : Rs. 6.75 per share) which resulted in an outflow of Rs. 1,713 (2018 : Rs. 1,652) including dividend distribution tax of Rs. 292 (2018: Rs. 282) and accordingly has been accounted in the year of declaration by the shareholders.

The Board of directors of the Company has proposed a dividend of Rs. 8.74 per share which would result in an outflow of Rs. 1,774. Pending approval of the shareholders the same is not recognised in the financial statements.

20. Long-term provisions	As at December 31, 2019	As at December 31, 2018
Provision for employee benefits		
Gratuity (Refer Note 44)	1,405	1,060
Compensated absences (Refer Note 44)	381	187
Total long-term provisions	1,786	1,247

21. Trade payables

(i) total outstanding dues of micro enterprises and small enterprises (Refer Note 36)	267	242
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12,175	14,098
Total Trade payables	12,442	14,340

22. Other financial liabilities - current

Capital creditors	323	318
Unpaid dividend	52	50
Liability for other expenses	1,030	1,024
Total Other financial liabilities - current	1,405	1,392

23. Other current liabilities

Advance from customers	255	147
Statutory liabilities :		
Goods and services tax payable	362	247
Tax deducted at source payable	123	112
Provident fund and employee state insurance payable	56	46
	541	405
Total Other current liabilities	796	552

24. Short-term provisions

Provision for employee benefits		
Compensated absences (Refer Note 44)	18	9
Total short-term provisions	18	9

25. Current tax liabilities (net)

Provision for income tax [net of advance tax of Rs. 15,817 (December 31,2018 :Rs. 15,817)]	1,222	1,222
Total current tax liabilities (net)	1,222	1,222

(Amount in Rupees Lakhs, unless stated otherwise)

26. Revenue from Operations	for the year ended December 31, 2019	for the year ended December 31, 2018
Sale of products		
Finished goods (Manufactured goods)	40,264	54,591
Stock-in-trade (For trading)	25,276	28,750
Sale of products (A)	65,540	83,341
Sale of services	22,836	8,524
Sale of services (B)	22,836	8,524
Other operating revenue		
Export benefit	273	573
Scrap sales	55	69
Other operating revenue (C)	328	642
Break-up of revenue from sale of products		
Finished goods (Manufactured goods)		
Refractories (Shaped)	25,381	33,069
Refractories (Unshaped)	14,883	21,522
	40,264	54,591
Stock-in-trade (For trading)		
Refractories (Shaped)	11,409	11,004
Refractories (Unshaped)	13,867	17,746
	25,276	28,750
Sale of products	65,540	83,341
Break-up of revenue from services rendered		
Repairs and maintenance services	22,836	8,524
Total revenue from operations (A+B+C)	88,704	92,507

Note : The company has adopted "IND AS 115 - Revenue from contracts with customers" from April 1, 2018 which resulted in change in accounting policies. In accordance with the transition provision in IND AS 115, the group has adopted the new rules retrospectively. The adoption of IND AS 115 did not have any significant impact on the financial statements of the company.

27. Other Income

Interest income from financial assets carried at amortised cost :		
- Interest income on fixed deposits	2,342	2,096
- Interest income on others	7	4
Profit on sale of Property, plant and equipment [Net]**	-	10
Other non-operating income *	574	167
Total other income	2,923	2,277

* Includes provision for doubtful trade receivable no longer required written back **Rs. 25** (2018 : Rs. 16)

** Below rounding off amount

28. Cost of materials consumed

Inventory of raw materials at the beginning of the year	5,282	5,708
Purchases	32,413	35,735
	37,695	41,443
Less: Inventory of raw materials at the end of the year	3,812	5,282
Total cost of materials consumed	33,883	36,161

29. Purchase of stock-in-trade

Purchase of stock-in-trade:		
Refractories (Shaped)	10,902	9,198
Refractories (Unshaped)	6,204	11,078
Total purchase of stock-in-trade	17,106	20,276

Notes forming part of financial statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

30. Changes in inventories of finished goods, work-in progress and stock-in-trade	for the year ended December 31, 2019			for the year ended December 31, 2018		
	Opening Inventory	Closing Inventory	(Increase)/ Decrease in inventory	Opening Inventory	Closing Inventory	(Increase)/ Decrease in inventory
Finished goods (Manufactured goods)						
Refractories (Shaped)	2,267	1,522	745	920	2,267	(1,347)
Refractories (Unshaped)	944	1,572	(628)	108	944	(836)
	3,211	3,094	117	1,028	3,211	(2,183)
Stock-in-trade (For trading)						
Refractories (Shaped)	1,912	1,816	96	1,326	1,912	(586)
Refractories (Unshaped)	140	308	(168)	41	140	(99)
	2,052	2,124	(72)	1,367	2,052	(685)
Work-in-progress						
Refractories (Shaped)	869	668	201	600	869	(269)
Refractories (Unshaped)	175	287	(112)	406	175	231
	1,044	955	89	1,006	1,044	(38)
Total changes in inventories of finished goods, work-in progress and stock-in-trade	6,307	6,173	134	3,401	6,307	(2,906)

31. Employee benefits expense	for the year ended December 31, 2019	for the year ended December 31, 2018
Salaries, wages and bonus	4,934	4,470
Contribution to provident and other funds (Refer Note 44)	746	671
Compensated absences (Refer Note 44)	222	54
Staff welfare expenses	648	640
Total employee benefits expense	6,550	5,835

32. Depreciation and amortisation expense		
Depreciation on property, plant and equipment [Refer note 3]	2,584	2,716
Amortisation of intangible assets [Refer note 5]	71	65
Total depreciation and amortisation expense	2,655	2,781

33. Other expenses		
Consumption of stores and spares **	386	414
Power and fuel	1,643	1,927
Freight	3,079	3,434
Site expenses	5,650	5,108
Rent (Refer Note 37)	352	358
Repairs to:		
Buildings	179	148
Machinery	1,483	1,434
Others	74	70
Insurance	171	160

(Amount in Rupees Lakhs, unless stated otherwise)

33. Other expenses (Contd.)

	for the year ended December 31, 2019	for the year ended December 31, 2018
Rates and taxes	192	73
Royalty, Trademark and License fees	1,319	1,381
Travelling and conveyance expenses	1,779	1,739
Legal and professional fees	453	465
Auditor's Remuneration [Refer note below]	67	50
Commission	-	7
Directors' commission	35	37
Advertisement and sales promotion	33	16
Bank charges	69	76
Communication cost	110	145
Printing and stationery	63	82
Management fees	704	552
Loss on foreign exchange fluctuations [Net of foreign exchange gain of Rs. 243](2018 : Rs. 276)	76	332
Bad debts/provision for doubtful trade receivables/advances [Refer Note 41]	524	24
Corporate social responsibility expenditure [Refer Note 47]	158	44
Miscellaneous expenses	359	324
Total other expenses	18,958	18,400

Note:**Auditor's Remuneration**

As auditors :		
Statutory audit	26	20
Limited review of quarterly results	11	9
In other capacity:		
Group reporting	11	9
Audit of tax accounts	15	10
Other Services	1	-
Reimbursement of expenses	3	2
	67	50

Excludes stores and spares consumed and included under the head Repairs-Machinery **Rs. 397 (2018 : Rs. 453) and Site expenses **Rs. 996** (2018: Rs. 767).

34. Earnings per share (EPS)**Basic and diluted earning per share**

The calculation of basic and diluted earnings per share for the year ended December 31, 2019 is based on the profit attributable to equity shareholders and weighted average number of equity shares outstanding.

	for the year ended December 31, 2019	for the year ended December 31, 2018
Earnings		
Profit after tax	8,555	9,252
Net profit attributable to equity shareholders for calculation of basic and diluted EPS	8,555	9,252
Shares		
Weighted average number of equity shares outstanding during the year for calculation of basic and diluted EPS (in nos.)	20,296,080	20,296,080
Basic and Diluted Earnings per share (in Rs)	42.15	45.59
Nominal value of Equity Share (in Rs)	10	10

Notes forming part of financial statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

35. Contingent liabilities and commitments

(to the extent not provided for)

(a) Contingent liabilities:

(i) Claims against the Company not acknowledged as debts:

Sl. No.	Description	Estimated financial impact		Uncertainties
		As at December 31, 2019	As at December 31, 2018	
a.	Sales tax/ Value added tax	3768	2820	Demand received from appropriate authorities in relation to Sales tax/ VAT assessment and non submission of statutory forms.
b.	Excise duty, Custom duty and Service tax matters	281	513	Demands received from appropriate authorities in relation to Excise Duty, Custom Duty and Service Tax matters.

(ii) A counter claim has been filed against the Company before the Hon'ble High Court at Calcutta by a customer for claims aggregating **Rs.749** (December 31, 2018: Rs. 749) regarding certain disputes relating to goods supplied by the Company in prior years.

(iii) The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in the case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. CI/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

(b) Commitments	As at December 31, 2019	As at December 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances]	317	833

36. Details of dues to micro, small and medium enterprises are provided in table below:

Dues to Micro, Small and Medium Enterprises

(a) The amounts remaining unpaid to micro and small suppliers as at the end of each accounting year		
-Principal	267	242
- Interest	-	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

(Amount in Rupees Lakhs, unless stated otherwise)

37. The Company has taken various premises under operating lease which are cancellable during the life of the contract at the option of both the parties. Minimum lease payment charged during the year to the Statement of Profit and Loss aggregated to **Rs. 352** (2018 : Rs. 358).

38 Segment Reporting

The Company is engaged in the business of manufacturing, trading and sale of a range of refractories and is having its manufacturing facilities located in India. The performance of the Company is assessed and reviewed by the Chief Operating Decision Maker ('CODM') as a single operating segment and accordingly manufacture, trading and sale of refractories is the only operating segment.

Accounting policy:

Segment information is prepared in conformity with the accounting policy adopted for preparing and presenting the financial statements of the Company as a whole.

Geographical Information

The Company is domiciled in India, however also sells its products outside India. The amount of its revenue from external customers broken down by the location of the customers is shown in table below:

	Revenue from external customers		Non-current assets other than financial instruments, deferred tax and post employment benefit assets	
	For the year ended December 31, 2019	For the year ended December 31, 2018	As at December 31, 2019	As at December 31, 2018
India	84,154	83,871	16,069	15,216
Outside India	4,550	8,636	-	-
	88,704	92,507	16,069	15,216

Revenue of **Rs. 59,016** (2018 : Rs. 47,594) are derived from four external customers, each of whom contribute to more than 10% of the total revenue.

39. Related Party Disclosures

A) List of Related parties and relationship

i) Enterprises having control over the Company :

Vesuvius plc, United Kingdom, Ultimate holding company, holding company of Vesuvius Holdings Limited, United Kingdom

Vesuvius Holdings Limited, United Kingdom, (formerly known as Cookson Group plc), holding company of Vesuvius Financial 1 Limited, United Kingdom

Vesuvius Financial 1 Limited, United Kingdom, (formerly known as Cookson Financial Limited), holding company of Vesuvius Group Limited, United Kingdom

Vesuvius Group Limited, United Kingdom, Immediate holding Company

ii) Fellow Subsidiaries (with whom transactions have taken place during the year):

Name of the related parties

Avemis SAS, France

Foseco (Thailand) Limited, Thailand

Foseco India Limited, India

Foseco Industrial E Commercial Ltda, Brazil

Foseco Pty Limited, Australia

Pt. Foseco Indonesia, Indonesia

Sert Metal SAS, France

Vesuvius (Thailand) Co. Ltd, Thailand

Vesuvius Advanced Ceramics (China) Co. Ltd., China

Vesuvius Belgium N.V. Belgium

Vesuvius Crucible Company, USA

Vesuvius Emirates FZE, United Arab Emirates

Vesuvius Foundry Products (Suzhou) Co. Ltd., China

Vesuvius Foundry Technologies

Notes forming part of financial statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

Vesuvius France S.A., France
 Vesuvius GmbH, Germany
 Vesuvius Group S.A., Belgium
 Vesuvius Ibérica Refractarios S.A., Spain
 Vesuvius Istanbul Sanayi ve Ticaret AS, Turkey
 Vesuvius Italia S.P.A., Italy
 Vesuvius Japan Inc.
 Vesuvius UK Limited, Taiwan
 Vesuvius Management Services
 Vesuvius Malaysia SDN. BHD, Malaysia
 Vesuvius Mexico S.A. de C.V., Mexico
 Vesuvius Poland Spółka z.o.o, Poland
 Vesuvius Ras Al Khaimah FZ-LLC, United Arab Emirates
 Vesuvius Slavia A.S., Czech Republic
 Vesuvius South Africa (Pty) Limited, South Africa
 Vesuvius UK Limited, United Kingdom
 Vesuvius USA Corporation, USA
 Vesuvius Vietnam Company Limited
 Wugang Vesuvius Advanced Ceramics (Wuhan) Co., Ltd, China
 Yingkou Bayuquan Refractories Co., Ltd , China
 Vesuvius Refratários Ltda, Brasil
 Process Metrix LLC
 Vesuvius Refractory India Private Limited
 Vesuvius Australia Pty Ltd.
 Vesuvius Canada. Inc.
 Vesuvius Inc. (Cleveland Foundry)
 Vesuvius PLC.
 Vesuvius-Foseco S.A.S. Technical Sales Office

(iii) Names of Principal Group Companies / fellow subsidiaries (with which the Company neither have any transactions nor outstanding balances at current or previous year end)

Vesuvius Overseas Limited, United Kingdom (formerly, Cookson Overseas Limited, United Kingdom)

(iv) Key Management Personnel

Mr. Biswadip Gupta - Chairman & Independent Director
 Mr. Subrata Roy - Managing Director (till December 31, 2018)
 Mr. Ritesh Dunganwal - Managing Director (from January 01, 2019)
 Mr. Sudipto Sarkar - Independent Director
 Mr. Tanmay Ganguly - Director
 Mr. Jan Roel van der Sluis - Director (from November 01, 2018 till December 26, 2019)
 Mr. Patrick Andre - Director
 Miss Nayantara Palchoudhuri - Independent Director

(v) Terms and conditions of transactions with related parties

Transactions related to dividend were on the same terms and conditions that applied to other shareholders. The sale to and purchases from related parties are made in the ordinary course of business. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. No provision are held against receivables from related parties.

(Amount in Rupees Lakhs, unless stated otherwise)

B. Related party transactions

Name of the entity	For the year ended December 31, 2019				For the year ended December 31, 2018			
	Sale of goods / services	Purchase of goods/ property, plant and equipment	Dividend paid / payable	Other (Income)/ Expenses	Sale of goods / services	Purchase of goods/ property, plant and equipment	Dividend paid / payable	Other (Income)/ Expenses
Holding Company:								
Vesuvius Holdings Limited, United Kingdom	-	-	-	96	-	-	-	-
Immediate Holding Company:								
Vesuvius Group Limited, United Kingdom	-	-	789	-	-	-	761	16
Fellow Subsidiaries:								
Avemis SAS, France	-	174	-	-	-	348	-	4
Foseco (Thailand) Limited, Thailand	126	-	-	-	125	-	-	-
Foseco India Limited, India	15	83	-	27	2	30	-	21
Foseco Industrial E Commercial Ltda, Brazil	4	-	-	-	23	-	-	-
Foseco Pty Limited, Australia	7	-	-	-	11	-	-	-
Pt. Foseco Indonesia, Indonesia	143	-	-	-	104	-	-	-
Sert Metal SAS, France	-	245	-	-	-	313	-	-
Vesuvius (Thailand) Co. Ltd, Thailand	297	-	-	-	464	116	-	-
Vesuvius Advanced Ceramics (China) Co. Ltd., China	-	192	-	1	13	538	-	-
Vesuvius Belgium N.V. Belgium	77	253	-	-	-	783	-	-
Vesuvius Crucible Company, USA	-	-	-	937	682	-	-	925
Vesuvius Emirates FZE, United Arab Emirates	24	-	-	-	88	-	-	-
Vesuvius Foundry Products (Suzhou) Co. Ltd., China	-	17	-	-	1	4	-	-
Vesuvius France S.A., France	-	-	-	-	-	79	-	-
Vesuvius Foundry Technologies	2	-	-	-	-	-	-	-
Vesuvius GmbH, Germany	88	12	-	74	912	7	-	-
Vesuvius Group S.A., Belgium	-	62	-	616	-	371	-	857
Vesuvius Management Services	-	-	-	178	-	-	-	-
Vesuvius Istanbul Sanayi ve Ticaret AS, Turkey	129	16	-	-	153	51	-	-
Vesuvius Italia S.P.A., Italy	100	-	-	-	72	-	-	-
Vesuvius Malaysia SDN. BHD, Malaysia	1,556	78	-	2	2,837	136	-	-
Vesuvius Mexico S.A. de C.V., Mexico	4	430	-	-	-	445	-	-
Vesuvius Poland Spółka z.o.o, Poland	216	1,047	-	7	-	1,521	-	-
Vesuvius Ras Al Khaimah FZ-LLC , United Arab Emirates	2	2	-	-	93	4	-	-
Vesuvius Slavia A.S., Czech Republic	-	-	-	-	1	-	-	-
Vesuvius South Africa (Pty) Limited, South Africa	201	20	-	-	206	9	-	-
Vesuvius UK Limited, United Kingdom	967	541	-	-	1,572	825	-	-
Vesuvius USA Corporation, USA	547	1,153	-	2	-	2,524	-	-
Vesuvius UK Ltd- Taiwan	27	-	-	-	19	-	-	-
Vesuvius Vietnam Co Ltd.	8	-	-	-	-	-	-	-
Vesuvius Japan Inc.	-	-	-	-	5	-	-	-
Wugang Vesuvius Advanced Ceramics (Wuhan) Co., Ltd, China	-	2,341	-	-	-	3,596	-	-
Yingkou Bayuquan Refractories Co., Ltd , China	-	42	-	-	-	1,960	-	-
Vesuvius Refratários Ltda, Brasil	9	5	-	-	22	-	-	-
Process Metrix LLC	-	5	-	-	-	488	-	-
Vesuvius Australia Pty Ltd.	-	16	-	-	-	20	-	-
Vesuvius Canada. Inc.	-	69	-	-	-	60	-	-
Vesuvius Inc. (Cleveland Foundry)	-	-	-	-	-	8	-	-
Vesuvius PLC.	-	-	-	5	-	-	-	(113)
Vesuvius-Foseco S.A.S. Technical Sales Office	-	-	-	-	4	-	-	-
Vesuvius Refractory India Private Limited	-	-	-	552	-	-	-	65
Total	4,549	6,803	789	2,497	7,409	14,236	761	1,775

Notes forming part of financial statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

Remuneration to Key Management Personnel	for the year ended December 31, 2019	for the year ended December 31, 2018
Short-term employee benefits *	238	197
Post-employment benefits	23	14
Other long-term employee benefits	6	2
	267	213

* Includes sitting fees and commission paid / payable to independent directors

C. Balances outstanding

Name of the entity	As at December 31, 2019		As at December 31, 2018	
	Receivable	(Payable)	Receivable	(Payable)
Holding Company:				
Vesuvius Holdings Limited, United Kingdom	-	-	-	10
Immediate Holding Company:				
Vesuvius Group Limited, United Kingdom	-	-	-	-
Fellow Subsidiaries:				
Avemis SAS, France	-	-	-	68
Foseco (Thailand) Limited, Thailand	-	-	11	-
Foseco India Limited, India	14	-	-	-
Pt. Foseco Indonesia, Indonesia	11	-	-	-
Sert Metal SAS, France	-	38	-	3
Vesuvius (Thailand) Co. Ltd, Thailand	15	-	19	2
Vesuvius Advanced Ceramics (China) Co. Ltd., China	-	89	-	15
Vesuvius Belgium N.V. Belgium	-	22	-	31
Vesuvius Crucible Company, USA	1	213	3	202
Vesuvius Emirates FZE, United Arab Emirates	-	-	16	-
Vesuvius Foundry Products (Suzhou) Co. Ltd., China	-	-	-	10
Vesuvius Group S.A., Belgium	-	129	2	223
Vesuvius Malaysia SDN. BHD, Malaysia	17	17	8	12
Vesuvius Management Services	-	180	-	-
Vesuvius Mexico S.A. de C.V., Mexico	4	-	-	138
Vesuvius Poland Spółka z.o.o, Poland	44	75	-	16
Vesuvius Slavia A.S., Czech Republic	-	-	1	-
Vesuvius South Africa (Pty) Limited, South Africa	21	-	4	-
Vesuvius UK Limited, United Kingdom	65	35	-	11
Vesuvius USA Corporation, USA	35	114	-	150
Vesuvius UK Ltd- Taiwan	5	-	-	-
Wugang Vesuvius Advanced Ceramics (Wuhan) Co., Ltd, China	-	613	-	-
Yingkou Bayuquan Refractories Co., Ltd, China	-	25	-	-
Vesuvius Australia Pty Ltd.	-	-	-	10
Vesuvius Canada. Inc.	-	14	-	-
Vesuvius PLC.	5	-	111	-
Vesuvius Refractory India Private Limited	11	48	-	14
Total	248	1,612	175	915

(Amount in Rupees Lakhs, unless stated otherwise)

40. Fair value measurements

Financial instruments by category

Particulars	As at December 31, 2019	As at December 31, 2018
	Amortised cost	Amortised cost
Financial assets		
Trade receivables - Non Current	447	-
Loans - Non Current	96	93
Other financial assets - Non Current	243	230
Trade receivables - Current	18,769	18,141
Cash and cash equivalents	46,793	11,383
Bank balances other than above	52	30,550
Loans - Current	32	33
Other financial assets - Current	291	275
Total financial assets	66,723	60,705
Financial liabilities		
Trade payables	12,442	14,340
Other financial liabilities	1,405	1,392
Total financial liabilities	13,847	15,732

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at amortised cost for which fair values are disclosed	Level 3	Total
As at December 31, 2019		
Financial assets		
Loans		
Loans to employees	96	96
Security deposits	243	243
Total financial assets	339	339
As at December 31, 2018		
Financial assets		
Loans		
Loans to employees	93	93
Security deposits	230	230
Total financial assets	323	323

Note

Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

Categorisation of fair value into level 1, 2 and 3.

Level 1 [Quoted prices in an active market]:

This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 [Fair values determined using valuation techniques with observable inputs]:

The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Notes forming part of financial statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

Level 3 [Fair values determined using valuation techniques with significant unobservable inputs]:

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There are no transfers between levels 1 and 2 during the year.

(ii) Fair value of financial assets and liabilities measured at amortised cost

	As at December 31, 2019		As at December 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans to employees	96	96	93	93
Security deposits	243	243	230	230
Total financial assets	339	339	323	323

Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value. The loans and security deposits are fair valued and are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

41. Financial Risk Management

The Company's financial assets primarily consists of trade receivables and other receivables, loans, security deposits and cash and bank balances etc., whereas financial liabilities includes trade payables, liabilities for capital expenditure and other financial liabilities. The Company's business activities exposes it to variety of risks such as fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company seeks to minimise potential adverse effects of these risks by managing through a structured process laid down by its Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk refers to risk of financial loss to the Company if customers or counterparties fail to meet their contractual obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables and cash and cash equivalents.

Credit risk management

Customer credit risk is managed by the Company through its established policies and procedures which involve evaluation of credit profile of individual customers and regular monitoring of important developments viz. payment history, regulatory changes, industry outlook etc. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer, whereas for small customers impairment is assessed collectively for homogeneous groups.

The Company manages credit risk for cash and cash equivalents by placing the deposits with approved counterparties with high credit ratings.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk other than for cash and cash equivalents and other bank balances was Rs. 19,878 as at December 31, 2019 (December 31, 2018 : Rs. 18772), being the total of the carrying amount of financial assets.

(Amount in Rupees Lakhs, unless stated otherwise)

Impairment losses on financial assets

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. The Company has used expected credit loss model for trade receivables to assess impairment loss or reversal thereof. A summary of movement in allowances for expected credit losses from the beginning to end of the year is provided as under:

Particulars	December 31, 2019	December 31, 2018
Balance at the beginning of the year	415	407
Additions during the year	524	24
Reversals during the year	(25)	(16)
Balance at the end of the year	914	415

(B) Liquidity risk

Liquidity risk implies that the Company may not be able to meet its obligations associated with its financial liabilities. The Company manages its liquidity risk on the basis of business plans that ensures funds required for financing business operations and meeting financial liabilities are available in a timely manner at optimal costs. The Management regularly monitors rolling forecasts of the Company's liquidity position to ensure it has sufficient cash on an ongoing basis to meet operational fund requirements. Surplus cash generated, over and above operational fund requirement is invested in bank deposits to optimise cash returns while ensuring adequate liquidity for the Company.

All the Company's financial liabilities are due within one year from the balance sheet date and could be met by realisation of surplus funds deposited with banks.

(C) Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments may fluctuate because of changes in market conditions. Market risk broadly comprises three types of risks namely currency risk, interest rate risk and price risk (for commodities). The above risks may affect the Company's income and expenses. The Company's exposure to and management of these risks are explained below:

(i) Foreign currency risk

The Company undertakes transactions (e.g. sale of goods and purchases on raw materials or capital goods) denominated in foreign currencies and thus is exposed to exchange rate fluctuations. The Company evaluates its exchange rate exposure arising from foreign currency transactions and manages the same based upon approved risk management policies which includes managing bank accounts in foreign currency and converting these foreign currency into functional currency when exchange rates are favourable.

Exposure to foreign currency risk

The carrying amounts of foreign currency denominated financial assets and liabilities at the end of the reporting periods are as under:

Particulars	Foreign currency in Lakhs	Rupee equivalent in Lakhs
As at December 31, 2019		
Trade receivables		
USD	12	826
EURO	6	432
Trade payables		
USD	41	2,943
EURO	7	589
GBP	-	36
As at December 31, 2018		
Trade receivables		
USD	11	713
EURO	5	385
GBP	1	110
Trade payables		
USD	40	2,798
EURO	5	422
GBP	0	26
AUD	0	11

Notes forming part of financial statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

A 10% appreciation/depreciation of the foreign currencies with respect to functional currency of the Company would result in an increase/decrease in the Company's net profit before tax by approximately Rs. 231 (2018 : Rs. 205).

(ii) Interest rate risk

The Company does not have any interest bearing financial liabilities. The Company's interest earning financial assets are primarily term deposits with banks which are fixed rate interest bearing instruments and accordingly the Company is not significantly exposed to interest rate risk.

42. Capital management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan also taking into consideration any long term strategic investment and expansion plans. The funding needs are met through equity and cash generated from operations.

43. Income tax expense

This note provides an analysis of the Company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

Particulars	December 31, 2019	December 31, 2018
(a) Income tax expense		
Current tax		
Current tax on profits for the year	3,748	5,250
Total current tax expense	3,748	5,250
Deferred tax		
Decrease (increase) in deferred tax assets	20	(21)
(Decrease) increase in deferred tax liabilities	(45)	(197)
Total deferred tax expense	(25)	(218)
Income tax expense	3,723	5,032
Current tax expense recognised in profit or loss		
Current tax on profits for the year	3,748	5,250
Total current tax expense (A)	3,748	5,250
Deferred tax expense recognised in profit or loss		
Deferred taxes	38	(265)
Total deferred tax expense recognised in profit or loss (B)	38	(265)
Deferred tax expense recognised in Other comprehensive income		
Deferred taxes	(63)	47
Total deferred tax expense recognised in Other comprehensive income (C)	(63)	47
Total deferred tax for the year (B+C)	(25)	(218)
Total income tax expense recognised in profit or loss (A+B)	3,786	4,985
Total income tax expense recognised in Other comprehensive income (C)	(63)	47
Total income tax expense (A+B+C)	3,723	5,032
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Particulars	December 31, 2019	December 31, 2018
Profit before tax	12,341	14,237
Tax at the Indian tax rate of 30.404% (2018 : 34.944%)	3,752	4,975
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Corporate social responsibility expenditure	48	8
Others	(14)	2
Income tax expense	3,786	4,985

(Amount in Rupees Lakhs, unless stated otherwise)

Note :

The company has exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019, Accordingly, the company has recognised the impact of remeasurement of the Deferred Tax Assets (net) and the current tax charge during the year. However, the impact of such total tax expenses for the year is not material.

44. Employee benefit obligations

(i) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident and Pension Fund, and Employee State Insurance ('ESI') which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are recognised in the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident and Pension Fund and ESI for the year aggregates to **Rs. 524** (2018 : Rs. 449).

(ii) Defined benefit plans

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts or insurance companies. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

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

Particulars	Present value of obligation	Fair value of plan assets	Net amount
January 1, 2018	2,014	950	1,064
Current service cost	149	-	149
Interest expense/(income)	144	71	73
Total amount recognised in profit or loss	293	71	222
Remeasurements			-
Return on plan assets, excluding amounts included in interest expense/(income)	-	1	(1)
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(60)	-	(60)
Actuarial (gain)/loss from unexpected experience	(74)	-	(74)
Total amount recognised in other comprehensive income	(134)	1	(135)
Employer contributions/ premium paid	-	91	(91)
Benefit payments	(203)	(203)	-
December 31, 2018	1,970	910	1,060

Particulars	Present value of obligation	Fair value of plan assets	Net amount
January 1, 2019	1,970	910	1,060
Current service cost	147	-	147
Interest expense/(income)	148	73	75
Total amount recognised in profit or loss	295	73	222
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(16)	16
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	133	-	133
Actuarial (gain)/loss from unexpected experience	90	-	90
Total amount recognised in other comprehensive income	223	(16)	239
Employer contributions/ premium paid	-	116	(116)
Benefit payments	(188)	(188)	-
December 31, 2019	2,300	895	1,405

Notes forming part of financial statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	December 31, 2019	December 31, 2018
Discount rate	7.00%	7.60%
Salary growth rate	8.00%	8.00%
Attrition rate	Ages up to 40 : 6.20%	Ages up to 40 : 6.20%
	Ages from 40-54 : 1.80%	Ages from 40-54 : 1.80%
	Ages from 55-60 : 2.2%	Ages from 55-60 : 2.2%
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult

Assumptions regarding future mortality for gratuity and medical are set, based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a person retiring at age 60.

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation (Gratuity)			
	December 31, 2019		December 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%) % change compared to base due to sensitivity	(111)	120	(94)	101
Salary growth rate (-/+ 0.5%) % change compared to base due to sensitivity	119	(111)	100	(94)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The major categories of plan assets

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. Thus the composition of each major category of plan assets has not been disclosed.

Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

(Amount in Rupees Lakhs, unless stated otherwise)

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending December 31, 2019 :

The weighted average duration of the defined benefit obligation (gratuity) is 11 years for December 31, 2019. The expected maturity analysis of undiscounted gratuity is as follows:

	December 31, 2019	December 31, 2018
Year 1	73	55
Year 2	183	112
Year 3	166	181
Year 4	126	163
Year 5	143	124
Year 6 to 11	1247	1206

Compensated absences

The Company provides benefits in the nature of compensated absences which can be accumulated. The compensated absences are other long term employee benefits plan. The plan is unfunded. Based on actuarial valuation, a provision is recognised in full for the projected obligation and are classified into current and non-current as identified by the actuary. Expenses recognised in the Statement of Profit and loss towards compensated absences includes re-measurement gains and losses.

(iii) Major categories of plan assets are as follows :

	Nature	December 31, 2019	December 31, 2018
- Funded with SBI Life Insurance Co. Ltd.	Quoted	96%	96%
- Funded with Life Insurance Corporation of India.	Unquoted	4%	4%

45. Provisions for taxation has been recognised with reference to profit for the year ended December 31, 2019, in accordance with the provisions of Income-tax Act, 1961 and rules framed thereunder. The ultimate tax liability for the year 2019-20 will be determined on the basis of total taxable income for the year ending March 31, 2020.

46. The management is of the opinion that its international transactions are at arm's length under the provision of Section 92-92F of the Income-tax Act, 1961.

47. Corporate social responsibility expenditure

Particulars	December 31, 2019	December 31, 2018
Amount required to be spent as per Section 135 of the Act	283	262
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above*	158	44
Total	158	44

* there is no amount remaining unpaid at the year end

For and on behalf of the Board of Directors

Vesuvius India Limited

CIN:L26933WB1991PLC052968

For **Price Waterhouse Chartered Accountants LLP**

Chartered Accountants

Firm's Registration No. 012754N/N500016

Sougata Mukherjee

Partner

Membership No. 057084

Place: Kolkata

Date: February 21, 2020

Ritesh Dugarwal

Managing Director

DIN: 08136275

Vikram Singh

Company Secretary

Place: Kolkata

Date: February 21, 2020

Biswadip Gupta

Chairman

DIN : 00048258

Sivasis Sen

Chief Financial Officer

Five Years at a Glance

(Amount in Rupees Lakhs, unless stated otherwise)

	For the years ended on				
	31.12.2019	31.12.2018	31.12.2017	31.12.2016	31.12.2015
STATEMENT OF PROFIT & LOSS					
Sales	88,704	92,507	94,952	89,498	69,972
Other Income	2,923	2,277	1,322	1,299	1,021
Total Revenue	91,627	94,784	96,274	90,797	70,993
Expenditure	76,631	77,766	78,805	74,448	57,434
PBIDT	14,996	17,018	17,469	16,349	13,559
Depreciation & Amortisation	2,655	2,781	2,978	2,745	2,322
Finance Cost	0	0	0	0	0
PBT	12,341	14,237	14,491	13,604	11,237
PAT	8,555	9,252	9,445	8,888	7,359
BALANCE SHEET					
Assets Employed					
Fixed Assets	15,165	14,682	15,118	14,025	14,505
Working Capital:					
Current Assets	78,112	74,029	67,277	57,737	48,535
Less : Current Liabilities	15,883	17,515	18,062	14,965	13,805
Working Capital Employed	62,229	56,514	49,215	42,772	34,730
Non-Current Assets	4,837	3,830	3,006	2,567	1,364
Total Assets Employed	82,231	75,026	67,339	59,364	50,599
Financed By :					
Shareholders' Funds					
Share Capital	2,030	2,030	2,030	2,030	2,030
Reserves & Surplus	78,415	71,749	64,061	56,150	47,668
Total of Shareholders' Funds	80,445	73,779	66,091	58,180	49,698
Non-Current Liabilities	1,786	1,247	1,248	1,184	901
Total Funds Employed	82,231	75,026	67,339	59,364	50,599
OTHER INFORMATION					
Dividend (Rs Lakhs)	1,774	1,421	1,370	1,319	1,268
Rate of Dividend (Rs per Share)	7.00	7.00	6.75	6.50	6.25
Number of Shareholders (nos)	13,180	12,798	12,935	12,125	11,907
Number of Employees (nos)	457	439	450	437	435
Earnings per share (EPS) (Rs)	42.15	45.59	46.54	43.79	36.26