



April 12, 2022

To,  
BSE Limited  
The Corporate Relationship Department  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai – 400 001  
**Scrip Code : 520113**

National Stock Exchange of India Ltd  
Listing Department, Exchange Plaza,  
5th Floor, Plot No C/1, G Block,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai – 400 051  
**Scrip Code : VESUVIUS**

Dear Sirs/Madam,

**Sub: Notice of the Thirty First (31<sup>st</sup>) Annual General Meeting and the Annual Report for the Financial year ended December 31, 2021, Regulation 30 & 34(1) of the SEBI LODR**

Pursuant to Regulation 30 and 34(1) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, (the SEBI LODR), we enclose herewith the Annual Report of the Company for the Financial Year ended December 31, 2021, along with the Notice of the Thirty First (31<sup>st</sup>) Annual General Meeting (AGM) of the Company scheduled to be held on Friday, May 6, 2022, at 1:30 P.M. (IST) through Video Conferencing/Other Audio Visual Means.

In accordance with the relevant circulars issued by the Ministry of Corporate Affairs, the aforesaid documents have been sent electronically to those Members whose email IDs are registered with the Company / Depository Participants. Further, as required under the SEBI LODR, physical copies the aforesaid documents are being dispatched through permissible mode to those Members whose email addresses are not registered.

The Annual Report along with Notice of AGM is also available on the Company's website and can be access at [www.vesuviusindia.in](http://www.vesuviusindia.in).

The Financial Year of our Company ends on December 31, every year.

Thanking you,

Yours faithfully,

**Vesuvius India Limited**



Vikram Singh  
Company Secretary and Compliance Officer

**Encl.:** As above

Vesuvius India Ltd.

P-104 Taratolla Road Kolkata West Bengal 700088 India  
Contact No : (033) 6109 0500/ Fax No : (033) 2401 3976 / Email id : vesuviusindia@vesuvius.com  
Pan No : AAACV8995Q, GST Regn Type : Regular/TDS/ISD, GST Regn No : 19AAACV8995Q1Z1, GST State Code : 19

Corporate Identification No. : L26933WB1991PLC052968  
Corporate Email ID : vesuviusindia@vesuvius.com  
website : www.vesuviusindia.in





Vesuvius India Limited

ANNUAL REPORT 2021



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## Board of Directors

(as on February 24, 2022)



Biswadip Gupta  
Chairman

A B C N R S



Nitin Jain  
Managing Director

B C R S



Patrick Georges Felix Andre

N



Thiago da Costa Avelar

A



Pascal Herve Martin Marie Genest



Nayantara Palchoudhuri

A C N R S



Henry James Knowles

C R S



Sudipto Sarkar

A C N R S

### Key to Committee membership

A Audit Committee

N Nomination and Remuneration Committee

● Committee Chairman

B Board Management Committee

R Risk Management Committee

C Corporate Social Responsibility Committee

S Stakeholders' Relationship Committee



# VESUVIUS

## Board of Directors

(as on February 24, 2022)

Biswadip Gupta, DIN 00048258, *Chairman*  
 Nitin Jain, DIN 07934566, *Managing Director*, (wef 16.03.2021)  
 Patrick Georges Felix Andre, DIN 07619754  
 Thiago da Costa Avelar, DIN 08697241  
 Henry James Knowles, DIN 08751453,  
 Pascal Herve Martin Marie Genest, DIN09473571 (wef 24.02.2022)  
 Nayantara Palchoudhuri, DIN 00581440  
 Sudipto Sarkar, DIN 00048279

## Board Committees

### Audit Committee

Biswadip Gupta, *Chairman*  
 Thiago da Costa Avelar  
 Nayantara Palchoudhuri  
 Sudipto Sarkar

### Board Management Committee

Biswadip Gupta, *Chairman*  
 Nitin Jain

### Corporate Social Responsibility Committee

Biswadip Gupta, *Chairman*  
 Nitin Jain  
 Henry James Knowles  
 Nayantara Palchoudhuri  
 Sudipto Sarkar

### Nomination and Remuneration Committee

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

### Risk Management Committee

Directors:  
 Biswadip Gupta, *Chairman*  
 Nitin Jain  
 Henry James Knowles  
 Nayantara Palchoudhuri  
 Sudipto Sarkar  
 Senior Executives:  
 Subrata Roy  
 Sivasis Sen  
 Vikram Singh

### Stakeholders Relationship Committee

(Previously Share Transfer and Stakeholders Grievance & Relationship Committee)

Biswadip Gupta, *Chairman*  
 Nitin Jain  
 Henry James Knowles  
 Nayantara Palchoudhuri  
 Sudipto Sarkar

## Key Managerial Personnel

Nitin Jain, *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

Gondesi & Co  
 Cost and Management Accountants  
 13-20-97, Veni Vihar, Ramalingeswara Temple Street,  
 Bhanoji Colony, B.C. Road, New Gajuwaka,  
 Visakhapatnam 530 026  
 (Firm Registration No.002027)

## Secretarial Auditor

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

## Bankers

Axis Bank Limited  
 Barclays Bank  
 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.co  
 Website : www.cbmsl.com

## Registered Office

P-104 Taratala Road  
 Kolkata 700 088  
 Tel : (033) 6109 0500 Fax : (033) 2401 3976  
 Email : vesuviusindia@vesuvius.com  
 Website : www.vesuviusindia.in  
 CIN : L26933WB1991PLC052968  
 ISIN No : INE386A01015  
 LEI No : 335800H1T1GO1JY1VF55

### Kolkata Factory

P-104 Taratala Road  
 Kolkata 700 088  
 Tel : (033) 6109 0500 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. Industrial 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 : L26933WB1991PLC052968

Phone : (033) 6109 0500 Fax : (033) 2401 3976

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

### NOTICE OF 31<sup>ST</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Thirty First (31st) Annual General Meeting of the Members of Vesuvius India Limited will be held on Friday, May 6, 2022, at 1:30 P.M. (IST), through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") facility, to transact the following businesses:

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on December 31, 2021, the Reports of the Board of Directors and Auditors thereon and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:

**"RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended on December 31, 2021 and the Reports of the Board of Directors and the Auditors thereon, as circulated to the members, be and are hereby received, considered and adopted."

2. To declare dividend on Equity Shares of the Company for the financial year ended on December 31, 2021 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the recommendation of the Board of Directors, dividend at the rate of Rs. 8/- (Rupees Eight only) per Equity Share of Rs. 10/- (Rupees Ten) each fully paid-up of the Company, be and is hereby declared out of the profits of the Company for the financial year ended December 31, 2021 on 2,02,96,080 (Two crores two lakhs ninety-six thousand and eighty) Equity Shares of the Company."

3. To reappoint Mr Henry James Knowles as a Director of the Company, who retires by rotation and being eligible, offers himself for reappointment and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Mr Henry James Knowles (DIN: 08751453), who retires by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 and under Article 101 of the Company's Articles of Association, be and is hereby reappointed as a Director of the Company."

4. To appoint the Statutory Auditors of the Company and fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Messrs Price Waterhouse Chartered Accountants LLP, Chartered Accountants, of Plot No 56 & 57, Block-DN, Sector-V, Salt Lake, Kolkata 700091, West Bengal, (Firm's Registration no. 012754N/N500016) be and is hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Thirty Sixth (36th) Annual General Meeting of the Company, at such remuneration (plus taxes, as applicable and reimbursement of out-of-pocket expenses, if any,) and on terms and conditions as may be fixed by the Board of Directors of the Company, based on the recommendations of the Audit Committee."

#### **SPECIAL BUSINESS:**

5. To appoint Mr Pascal Genest as a Director of the Company and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Articles of Association of the Company, Mr Pascal Genest (DIN: 09473571) who was appointed as an Additional Director, under the category of Non-Executive Non Independent Director of the Company under Section 161 of the Act with effect from

February 24, 2022 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of director of the Company, be and is hereby appointed as a Non-Executive Non Independent Director of the Company with effect from May 6, 2022, who shall be liable to retire by rotation.”

6. To ratify the remuneration of Cost Auditors of the Company for the financial year ending on December 31, 2022 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration as approved by the Board of Directors on the recommendation of the Audit Committee and set out in the Statement annexed to the Notice, to be paid to M/s Gondesi & Co, Cost Accountants, (Firm Registration No. 002027), who have been appointed as the Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending on December 31, 2022, be and is hereby ratified.

**RESOLVED FURTHER THAT** each of the Directors and the Company Secretary of the Company, be and are hereby severally authorised to take all such steps as may be necessary, proper and expedient to give effect to the aforesaid Resolution.”

Place: Kolkata  
February 24, 2022

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

By Order of the Board of Directors  
**Vesuvius India Limited**

**Vikram Singh**  
Company Secretary and Compliance Officer  
Membership No. A16381

## Notes forming part of the Notice to Members :

### A. General Instructions:

1. A Statement pursuant to Section 102 of the Companies Act, 2013, as amended, (**the “Act”**) and Secretarial Standard on General Meetings (Revised) – 2 (**the “SS-2”**), relating to Special Businesses to be transacted at the Meeting which the Board of Directors have considered and decided to include as Special Business and which are unavoidable in nature, are annexed hereto. The said Statements also contain the recommendation of the Board of Directors of the Company in terms of Regulation 17(11) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (**the “SEBI LODR”**). Additional disclosures, pursuant to the requirements of SS-2 and Regulation 36 of the SEBI LODR, in respect of the directors seeking appointment / re-appointment form part of this Notice convening the 31st Annual General Meeting (AGM) of the Company (**the “Notice”**).
2. **AGM through Video Conferencing/Other Audio-Visual Means:** In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (‘MCA’) vide it’s General Circular No. 21/2021 dated December 14, 2021 (in continuation of its earlier General Circular Nos. 20/2020, 02/2021 and 19/2021 dated May 05, 2020; January 13, 2021 and December 8, 2021, respectively) [collectively referred to as “MCA Circulars”] has allowed the companies who propose to organize AGMs in 2022 for the financial year ended/ending any time before/on March 31, 2022 through VC/OAVM, without the physical presence of the Members at a common venue as per the respective due dates by June 30, 2022. In compliance with MCA Circulars and provisions of the Act, the AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members. The deemed venue for this AGM shall be the Registered Office of the Company at P-104 Taratala Road, Kolkata 700088. Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice.
3. Keeping the convenience of the Members positioned in different time zones, the Meeting has been scheduled at 1:30 PM (IST).
4. Since this AGM is being held through VC/OAVM, without physical attendance of Members, the facility to appoint proxy by the members will not be available for this AGM and consequently, the proxy form and attendance slip are not annexed to the notice.

## NOTICE OF ANNUAL GENERAL MEETING (Contd.)

5. Attendance of the Members participating in the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. National Securities Depository Limited (“NSDL”) will be providing facility for voting through remote e-Voting, participation in the AGM through VC/OAVM facility and e-Voting during the AGM.
7. **Dispatch of the Annual Report and the Notice through Electronic Mode:** In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report 2021 is being sent through electronic mode only to those Members whose e-mail addresses are registered with the Registrar and Transfer Agent/Depository Participants. Members may note that the Notice and the Annual Report 2021 will also be available on the Company’s website [www.vesuviusindia.in](http://www.vesuviusindia.in), websites of the Stock Exchanges, that is, BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, and on the website of Company’s Registrar and Transfer Agent (RTA), M/s C B Management Services (P) Limited (“CB Management”) at [www.cbmsl.com](http://www.cbmsl.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. **Mandatory update of PAN, KYC and Nomination details and linking of PAN and Aadhaar by holders of physical shares:** SEBI vide its Circular dated November 03, 2021 has made it mandatory for the shareholders holding shares in physical form to furnish PAN, KYC details and Nomination in the prescribed forms to the RTA of the Company. In case of failure to provide required documents and details as per the aforesaid Circular, all folios of such shareholders shall be frozen on or after April 01, 2023 by the RTA. Further, such frozen securities shall be referred by the RTA or the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as of December 31, 2025.

In compliance with the above stated Circular, the Company has sent individual communication to its shareholders holding shares in the physical form requesting them to update their PAN, KYC details and Nomination. In order to avoid freezing of folios, such members are requested to furnish details in the prescribed form as mentioned in the aforesaid SEBI circular along with the supporting documents, wherever required, to our RTA, CB Management, for immediate action. A copy of such forms can be downloaded from the website of the Company at [www.vesuviusindia.in](http://www.vesuviusindia.in) or from the website of our RTA at [www.cbmsl.com](http://www.cbmsl.com).

In case of any query / assistance, members are requested to contact our RTA, M/s C B Management Services (P) Ltd., at P-22, Bondel Road, Kolkata-700019 (Phone No 033-40116700; Email: [rta@cbmsl.com](mailto:rta@cbmsl.com))

9. Pursuant to the MCA’s Circular, the Company has published a newspaper advertisement urging its members (who have not registered their email IDs) to register their email IDs at the earliest. The Company had earlier also sent letters to all the shareholders in this regard. However, Members who have still not registered their email IDs, are requested to do so at the earliest, in the following manner:
  - a. Members holding shares in physical mode and who have not registered / updated their e-mail address with the Company are requested to register / update the same by submitting duly filled and signed Form ISR-1 with the CB Management.
  - b. Members holding shares in dematerialised mode are requested to register / update their e-mail address with the relevant Depository Participant.
10. Messrs Price Waterhouse Chartered Accountants LLP, Chartered Accountants, (“PWC”) of Plot No 56 & 57, Block-DN, Sector-V, Salt Lake, Kolkata - 700091, West Bengal, (Firm’s Registration no. 012754N/N500016), had been appointed as Statutory Auditors of the Company at the 26th Annual General Meeting of the Members held on May 12, 2017, for a period of five consecutive years until the conclusion of 31st Annual General Meeting.

In terms of the provisions of Section 139 of the Act, the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, the listed company could appoint or re-appoint an audit firm as Auditors for not more than 2 (two) terms of 5 (five) consecutive years. Therefore, basis the recommendation of the Audit Committee, the Board of Directors has recommended appointment of Messrs Price Waterhouse Chartered Accountants LLP, Chartered Accountants, as the Statutory Auditors of the Company to hold the office for another term of 5 (five) consecutive years. In this regard, PWC has confirmed that it is not disqualified for the proposed appointment as Statutory Auditor of the Company and their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. PWC has provided necessary certificates and consent with respect to its proposed re-appointment which will be available for inspection by the Member in the manner provided later in the Notice.

Accordingly, it is proposed to appoint Messrs Price Waterhouse Chartered Accountants LLP, Chartered Accountants, as the Statutory Auditors of the Company to hold the office from the conclusion of this AGM till the conclusion of Thirty Six (36th) Annual General Meeting of the Company.

The Board of Directors recommends the Resolution at Item No. 4 as an Ordinary Resolution for the approval by the Members.



None of Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice.

11. A brief profile of the Director retiring by rotation and proposed to be re-appointed at this AGM, nature of his expertise in specific functional areas, names of companies in which he holds directorship and Membership/Chairmanship of Board Committee(s), shareholding and relationship between Directors and Key Managerial Personnel as stipulated under Regulation 36 of SEBI LODR are provided in an Annexure appended to this Notice.
12. Relevant documents as required by law and referred to in the accompanying Notice and in the Statement shall be available for inspection through electronic mode. Members may write to the Company on [vesuviusindia@vesuvius.com](mailto:vesuviusindia@vesuvius.com) for inspection of said documents and the same will also be available for inspection by the members during the AGM, upon Log-in at NSDL e-Voting system at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available for inspection by the Members through electronic mode during the AGM.

### 13. Important dates for Members:

**Record Date:** Record Date will be **Friday, April 29, 2022** to determine those Members who will be entitled to receive dividend which will be declared at the AGM.

**Cut Off Date:** The Cut Off Date for the purpose of determining the Members eligible for participation in remote e-voting (e-voting from a place other than venue of the AGM) and voting at the AGM through e-Voting system is **Friday, April 29, 2022** ("Cut Off Date").

A person who is not a Member as on the Cut Off Date should treat this Notice of AGM for information purpose only. The voting rights of Members shall be in proportion to their shareholding in the paid-up equity share capital of the Company as on the Cut Off Date, as aforesaid.

**Remote e-Voting Period** will commence from **9.00 a.m. on May 2, 2022 to 5.00 p.m. on May 5, 2022**, both days inclusive. Remote e-Voting will be disabled after 5.00 p.m. on May 5, 2022.

**E-Voting Facility at the AGM** will also be provided on the date of the AGM i.e., on May 6, 2022 to eligible Members who have not cast their votes through remote e-Voting and who attend the AGM through VC/OAVM. Upon instructions of the Chairman of the AGM, the e-voting window shall be activated during the AGM. E-voting during the AGM will be integrated with the VC/OAVM platform and no separate login will be required for the same.

A Member can opt for only single mode of voting i.e., through remote e-voting or voting at the AGM. If a Member casts vote by both modes i.e., voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

14. **Dividend:** Subject to the approval of the Members at the AGM and the provisions of section 126 of the Companies Act, 2013, the dividend will be deposited in a separate bank account within 5 (five) days from the date of declaration of the dividend and will be paid within May 20, 2022 to the Members whose names appear on the Company's Register of Members as on the Record Date (i.e., **April 29, 2022**) and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the Members who have not updated their bank account details.

**Tax Deductible at Source / Withholding tax:** Pursuant to the requirement of Income Tax Act, 1961, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and documents submitted by them with the Company/ CB Management/ Depository Participant.

15. **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. Members are requested to register/ update their complete bank details:
  - a. with their Depository Participant(s) with which they maintain their demat accounts, if shares are held in dematerialized mode, by submitting forms and documents as may be required by the Depository Participant(s); and
  - b. by submitting duly filled up and signed Form ISR-1 with the CB Management, if shares are held in physical mode.

## NOTICE OF ANNUAL GENERAL MEETING *(Contd.)*

- 16. Unclaimed Dividend:** Notices have been sent to all the concerned shareholders on February 12, 2022 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.in](http://www.vesuviusindia.in). Members are encouraged to view the lists and lodge their claim with our RTA for dividends which have remained unclaimed.
- 17. Unclaimed Dividend/Shares to be transferred to IEPF:** In terms of the provisions of Section 125 of the Act, read with Rules made thereunder, other applicable rules, notifications, and circulars, if any, the Company is required to transfer the unpaid dividend amounts, which remained unclaimed for 7 (seven) years from the date of transfer of such amounts to Unpaid/Unclaimed Dividend Account, to Investor Education and Protection Fund (IEPF) Account. In compliance with the same, the Company shall transfer the dividend declared at the 24th Annual General Meeting of the Company held on May 7, 2015, and remains unclaimed until May 20, 2022, to the Investor Education and Protection Fund ("IEPF") of the Central Government in June 2022. The concerned shareholders are requested to claim their dividend on or before May 20, 2022. Further, the shares, in respect of which dividend remains unclaimed for a period of 7 (seven) consecutive years shall also be transferred to the Demat Account of the IEPF Authority ("the IEPF Demat Account"). Members are requested to lodge their claims with our RTA immediately. Individual reminder letters have been sent to the concerned shareholders on February 4, 2022 and newspaper notice in this regard has also been published.
- 18. Unclaimed Dividends/Shares transferred to IEPF:**
- a. In terms of the provisions mentioned herein above, the 20th Anniversary Special Dividend (being the interim dividend for the financial year ended on December 31, 2014) declared at the Board Meeting held on February 25, 2014 and the final dividend for the financial year ended December 31, 2013 declared at the 23rd Annual General Meeting of the Company held on April 29, 2014, which remained unclaimed for 7 (seven) consecutive years had been transferred to the IEPF Account of the Central Government in the month of April and June 2021, respectively. In compliance with the said provisions, before transferring such dividends to the IEPF Account, individual notices had been sent to the concerned shareholders by registered post on January 28, 2021 as well as an advertisement had also been published in the newspapers on February 3, 2021 and they were requested to encash their unclaimed dividends on or before March 10, 2021 and May 10, 2021, respectively.
  - b. Adhering to the aforesaid provisions, the Company has transferred the shares, in respect of which dividends remained unclaimed for a period of 7 (seven) consecutive years or more as on the due date of transfer, to the IEPF Demat Account. Before transferring such shares to the IEPF Demat Account, the Company had sent individual notices to the concerned shareholders through registered post on January 28, 2021, wherein such shareholders were requested to encash their unclaimed dividends failing which would result in the transfer of their shares into IEPF Demat Account. An advertisement had also been published in the newspapers on February 3, 2021, in this regard. No claim lies against the Company in respect of the dividend / shares so transferred to IEPF Account/IEPF Demat Account.
- 19. How to claim Dividend / Shares transferred to IEPF:**
- a. The members who have a claim on the above dividends and/or shares may claim the same from the IEPF Authority by submitting an online application in web Form No. IEPF-5 which is available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and by sending a physical copy of the same, duly signed by them to the Company, along with requisite documents enumerated in the Form IEPF-5.
  - b. Details of dividends/shares so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in). Such details are also available on the website of the Company at [www.vesuviusindia.in](http://www.vesuviusindia.in).
- 20. Dematerialisation of physical shares:** On and from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form. In addition to that, as per the recent amendments to SEBI LODR effective from January 24, 2022 and SEBI's Circular dated January 25, 2022, it has been mandated that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for (a) issue of duplicate securities certificate; (b) claim from Unclaimed Suspense Account; (c) Renewal / Exchange of securities certificate; (d) Endorsement; (e) Sub-division / Splitting of securities certificate; (f) Consolidation of securities certificates/folios; (h) Transmission, and (i) Transposition.
- In accordance with the said Circular, our RTA shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant. Such 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

## B. INSTRUCTIONS FOR ATTENDING THE AGM AND ELECTRONIC VOTING:

### 1. General Instruction on e-Voting:

- a) In compliance with provisions of Section 108 and all other applicable provisions of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (the "Rules") and Regulation 44 of SEBI LODR, SS-2, and all other notifications/circulars as may be applicable, the Company has engaged the services of National Securities Depository Limited ("NSDL") to provide remote e-voting facility to all the Members (as on the Cut Off Date) to enable them to cast their votes electronically in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.
- b) In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.vesuviusindia.in](http://www.vesuviusindia.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e., [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - I. Members are requested to attend and participate in the ensuing AGM through VC / OAVM and cast their vote either through remote e-voting facility or through e-voting facility to be provided during the AGM.
  - II. Members who would have cast their vote by remote e-voting may attend the Meeting through VC/OAVM but shall not be able to vote at the Meeting. Such a member will also not be allowed to change or cast vote again. The facility of voting through electronic means will also be available during the Meeting. Members attending the Meeting who would have not already cast their vote by remote e-voting shall be able to cast their vote during the Meeting.
- c) The Cut Off Date for the purpose of determining the Members eligible for participation in remote e-voting (e-voting from a place other than venue of the AGM) and voting at the AGM through e-Voting system is Friday, April 29, 2022 ("Cut Off Date"). A person who is not a Member as on the Cut Off Date should treat this Notice of AGM for information purpose only.
- d) Any person holding shares in physical form and non-individual Shareholders, who acquires shares of the Company and becomes members of the Company after the Notice is sent through e-mail and are holding shares as on April 29, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [Issuer/RTA](mailto:Issuer/RTA). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on Toll Free No. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquire shares of the Company after sending of the Notice and are holding shares as on the Cut Off Date i.e., April 29, 2022 may follow steps mentioned in the Notice of the AGM under "Step 1: Access to NSDL e-Voting system".
- e) Members who need assistance before and during the AGM, may contact Ms. Pallavi Mhatre, Manager, NSDL at email id: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or on Toll Free Nos. 1800 1020 990 / 1800 22 44 30.
- f) The Board has appointed Mr Anjay Kumar Roy, Company Secretaries (holding C.P. No.: 4557) as the Scrutinizer (hereinafter referred to as "the Scrutinizer") to scrutinize the remote e-voting and the voting process at the AGM in a fair and transparent manner.
- g) In pursuance of Section 113 of the Act and Rules framed thereunder, the institutional/corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-Voting or for the participation and e-voting during the AGM, are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution/Power of Attorney/appropriate Authorization Letter authorizing their representative to vote on their behalf, to the Scrutinizer through e-mail at [akroyco@yahoo.co.in](mailto:akroyco@yahoo.co.in) and [anjanroy\\_2003@yahoo.co.in](mailto:anjanroy_2003@yahoo.co.in) with the subject line "**Vesuvius India Limited - 31st AGM**" with a copy marked to our RTA at [ranarc@cbmsl.co](mailto:ranarc@cbmsl.co) and NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- h) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, Members will need to go through the "Forgot User Details/ Password" or "Physical User Reset Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.
- i) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available in the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on Toll Free no.: 1800 1020 990 or 1800 22 44 30 or send a request on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

## NOTICE OF ANNUAL GENERAL MEETING (Contd.)

- j) Only those Members/Shareholders, who are present at the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the AGM.
- k) Members who have already voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- l) The results once declared along with the Scrutinizer's Report shall be placed on the Company's website [www.vesuviusindia.in](http://www.vesuviusindia.in) and on website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two working days of conclusion of the AGM and will also be communicated to BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.

### 2. Instructions for Remote e-Voting and e-Voting during the AGM

The remote e-voting period will commence from 9.00 a.m. on May 2, 2022 to 5.00 p.m. on May 5, 2022, both days inclusive. The remote e-voting module shall be disabled by NSDL for voting after 5.00 p.m. on May 5, 2022. The Members, whose names appear in the Register of Members / Beneficial Owners as on April 29, 2022 (Cut Off Date) may cast their vote electronically. The voting rights shall be in proportion to their shareholding in the paid-up equity share capital of the Company as on the Cut Off Date.

The details of the process and manner for voting electronically are mentioned below:





#### Step 1: Access to NSDL e-Voting system

#### Step 2: Cast your vote electronically on NSDL e-Voting system

Details on Step 1 are mentioned below:

#### a) Login method for e-Voting for Individual Shareholders holding securities in demat mode:

In terms of SEBI circular no. SEBI/110/CFB/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with the Depositories and DPs. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e., NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> </ol> <p>After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p style="text-align: right;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> <ol style="list-style-type: none"> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/">https://web.cdslindia.com/myeasi/home/</a> login or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e., NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Note:** Members who are unable to retrieve User ID/ Password are advised to use “Forgot User ID” and/or “Forgot Password option” available on respective websites.

**b) Login Method for e-Voting for Shareholders other than Individual Shareholders holding securities in demat mode and shareholders holding securities in physical mode:**

- Visit the e-Voting website of NSDL. Open web browser and enter the URL: [www.evoting.nsd.com/](http://www.evoting.nsd.com/).
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. Enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eServices i.e., IDeAS, you can log-in at [www.eservices.nsd.com/](http://www.eservices.nsd.com/) with your existing IDeAS login credentials. Once you log-in to NSDL eServices, click on e-Voting and you can proceed to Step 2 i.e., cast your vote electronically.
- Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

## NOTICE OF ANNUAL GENERAL MEETING (Contd.)

- v. Password details for shareholders other than Individual shareholders are given below:
- (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - (c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
- vi. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- (a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on **www.evoting.nsd.com**.
  - (b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on **www.evoting.nsd.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 etc.
  - (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- viii. Now, you will have to click on "Login" button.
- ix. After you click on the "Login" button, Home page of e-Voting will open.

### Details on Step 2 are mentioned below:

#### To cast your vote electronically on NSDL e-Voting system:

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Vesuvius India Limited to cast your vote during the remote e-Voting period or during the General Meeting.
3. EVEN for Vesuvius India Limited is 119658.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. Once you confirm your vote on the Resolution, you will not be allowed to modify your vote.

You can also take a printout of the votes cast by you by clicking on the print option on the confirmation page.

#### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

- a) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) and by submitting duly filled and signed Form ISR-1 with the CB Management at **ranarc@cbmsl.co**.
- b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **vesuviusindia@vesuvius.com**. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 a) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

- c) Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

### 3. Instructions for Members attending the AGM through VC/OAVM:

- a) Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
- b) Members are encouraged to join the Meeting through Laptops for better experience.
- c) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) Please note that Participants 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.
- e) Members seeking any information with regard to the accounts or any other matter to be placed at the AGM can submit questions in advance from their registered email address mentioning their name, DP ID and Client ID / Folio number and mobile number, to reach the Company's email address [vesuviusindia@vesuvius.com](mailto:vesuviusindia@vesuvius.com) latest by 5.00 p.m. on May 4, 2022.
- f) Members may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / Folio number and mobile number, to reach the Company's email address [vesuviusindia@vesuvius.com](mailto:vesuviusindia@vesuvius.com) latest 5.00 p.m. on May 4, 2022. Only those Members who have registered themselves as a speaker shall be allowed to speak during the AGM, depending upon the availability of time.
- g) The Company reserves the right to restrict the number of speakers at the AGM.

### C. Other Information:

1. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1,000 members 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 etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
2. 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.
3. The results of the e-Voting declared along with Scrutiniser's Report will be available on the website of the Company, [www.vesuviusindia.in](http://www.vesuviusindia.in), and the website of NSDL, [www.nsdl.com](http://www.nsdl.com) within two days of receiving the Scrutiniser's Report and will also be communicated to the Stock Exchanges and will also be displayed on the notice board at the registered office of the Company.
4. The resolutions, if passed by a requisite majority, shall be deemed to be passed on the date of the Annual General Meeting.

Place: Kolkata  
February 24, 2022

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

By Order of the Board of Directors  
**Vesuvius India Limited**

Vikram Singh  
**Company Secretary and Compliance Officer**  
Membership No. A16381

## **STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 (AS AMENDED) READ TOGETHER WITH REGULATION 17(11) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (AS AMENDED)**

The following Statement sets out all material facts and recommendation of the Board of Directors of the Company relating to the Special Businesses set out in Item No. 5 and 6 of the accompanying Notice dated February 24, 2022:

### **ITEM No 5: Appoint Mr Pascal Genest (DIN: 09473571) as a Director of the Company**

In terms of the provisions of the Companies Act, 2013, as amended, (the "Act") and Article 103 of the Articles of Association of the Company and the recommendation of the Nomination and Remuneration Committee, Mr Pascal Genest (DIN: 09473571) was appointed as an Additional Director (under the category of Non-Executive Non-Independent Director) by the Board of Directors of the Company with effect from February 24, 2022 and holds office upto the date of the AGM.

Mr Pascal Genest was appointed as President, Vesuvius Flow Control, in January 2021 and became a member of the Vesuvius Group Executive Committee. Mr Genest's experience spans across various international leadership roles in different sectors, including more than 15 years' experience in the steel industry, mainly with Arcelor Mittal and, most recently, with GFG Alliance where he held the position of CEO Liberty Ostrava in Czech Republic, and earlier CEO of SULB in Bahrain.

Mr Pascal Genest graduated from the Ecole Polytechnique (France) and holds an MSc in Civil Engineering from Ecole des Ponts Paristech (France). He is also an MBA from Harvard Business School. Mr Genest brings his strong strategic orientation to Vesuvius, which is underpinned by an in-depth knowledge of the steel industry and a proven track record in business growth.

Mr Pascal Genest does not hold directorship in any Indian company. He does not hold any shares of the Company. He is not related to any Director or Key Managerial Personnel of the Company or their relatives.

Further, as per the amendments in SEBI LODR vide notification dated August 3, 2021 effective from January 1, 2022, approval of shareholders for appointment of a person on the Board of Directors should be taken at the next general meeting or within a period of three months from the date of appointment, whichever is earlier.

Accordingly, in terms of the provisions of the Act and the SEBI LODR, and recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends appointment of Mr Pascal Genest as a Director of the Company with effect from May 6, 2022, who shall be liable to retire by rotation.

As per Section 160 of Act, the Company has received notice in writing from a member proposing the candidature of Mr Pascal Genest as a Director of the Company. Mr Genest has given his consent to act as a Director of the Company and, also declared that he is not disqualified from being appointed as a director in terms of Section 164 of the Act.

Except Mr Genest, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice.

The forgoing Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) of the SEBI LODR and Revised Secretarial Standard on General Meetings (SS-2) of ICSI. Other disclosures required under the Act, SS-2 and Regulation 36 of the SEBI LODR have been provided as an Annexure hereto.

### **ITEM No 6: Ratification of remuneration of Cost Auditors**

The Board of Directors on the recommendation of the Audit Committee, at their meeting held on February 24, 2022 have appointed M/s Gondesi & Co, Cost Accountants, of Visakhapatnam (Firm registration no. 002027) as Cost Auditors of the Company for the financial year ending on December 31, 2022. The remuneration of the Cost Auditors has been fixed at Rs. 1,10,000/- plus GST, if applicable, and out of pocket expenses at actuals.

Section 148 of the Act 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 appended resolution is being proposed to be passed by the Members of the Company.

The Board of Directors recommends the resolution be passed for ratification of remuneration to be paid to the Cost Auditor of the Company for financial year ending on December 31, 2022.

None of Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice.

Place: Kolkata  
February 24, 2022

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

By Order of the Board of Directors  
**Vesuvius India Limited**

Vikram Singh  
**Company Secretary and Compliance Officer**  
Membership No. A16381



## Annexure to the Notice

As per the requirement of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Clause 1.2.5 of the Secretarial Standard - 2 (Revised) as issued by the Institute of Company Secretaries of India, a statement containing the requisite details of the concerned Directors is given below:

Name	Mr Henry James Knowles	Mr Pascal Genest
<b>DIN</b>	08751453	09473571
<b>Date of Birth</b>	03.03.1969	19.04.1966
<b>Age (in years)</b>	53	56
<b>Profile</b>	Mr 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 practiced in London and Tokyo.	Mr Pascal Genest was appointed as President-Flow Control, of Vesuvius plc, the ultimate holding company, in January 2021 and became a member of the Vesuvius Group Executive Committee. Mr Genest's experience spans across various international leadership roles in different sectors, including 15 years' experience in the steel industry, mainly with Arcelor Mittal and, most recently, with GFG Alliance where he held the position of CEO Liberty Ostrava in Czech Republic, and earlier CEO of SULB in Bahrain.
<b>Qualification</b>	Company Secretary & Lawyer	MSc in Civil Engineering and MBA
<b>Experience and Expertise in specific functional area</b>	More than 27 years of experience in Legal, Company Secretarial, Corporate Governance	More than 15 years of experience in Steel Industries
<b>Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid</b>	Non-Executive Non-Independent Director, liable to retire by rotation. He acts as a Nominee of the Group and has waived off any remuneration and sitting fee.	Non-Executive Non-Independent Director, liable to retire by rotation. He acts as a Nominee of the Group and has waived off any remuneration and sitting fee.
<b>Remuneration last drawn by such person, if applicable</b>	Nil	Nil
<b>Remuneration sought to be paid</b>	Nil	Nil
<b>Date of first appointment on the Board</b>	03.06.2020	24.02.2022
<b>Membership/Chairmanship of Committees of the Board of the Company</b>	Member of: - Risk Management Committee - Corporate Social Responsibility Committee - Stakeholders' Relationship Committee	Nil
<b>Other Directorships and Membership / Chairmanship of Committees of other Boards</b>	Nil	Nil
<b>No. of shares held in the Company</b>	Nil	Nil
<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</b>	None	None
<b>No. of Meetings of the Board attended during the year</b>	5 out of 5 during the year 2021	Not applicable

Place: Kolkata  
February 24, 2022

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

By Order of the Board of Directors  
**Vesuvius India Limited**

Vikram Singh  
**Company Secretary and Compliance Officer**  
Membership No. A16381

## PRODUCT PERFORMANCE EXCELLENCE

### Best ever casting time (29 hours - 40 heats) @ SAIL - Bhilai

Vesuvius' technological leadership has delivered another record achievement for our India team.

On 16 January, the Steel Authority of India (SAIL) Bhilai Steel Plant achieved their best ever casting time of 29 hours (40 heats) in one tundish in their slab caster number 6 in SMS2.

This is highest ever slab casting duration in a single tundish amongst all SAIL plants in India.

This is a remarkable performance achieved in a Vesuvius tundish, delivered through our state-of-the-art steel flow control technology Tundish Slide Gate (Vesuvius GTC System), Vesuvius Accumetrix continuous tundish temperature measurement system and Vesuvius Tundish lining & furniture. It is a unique performance and reinforces Vesuvius's position as the pioneering leader in technology, service and business partnering.

The Vesuvius India team has been recognised as a valued and trusted vendor partner by SAIL Bhilai, who have put on records their gratitude and appreciation.

It was through a fantastic team effort that made this possible and, with all the recognition flowing in, the team is gearing up for more success.

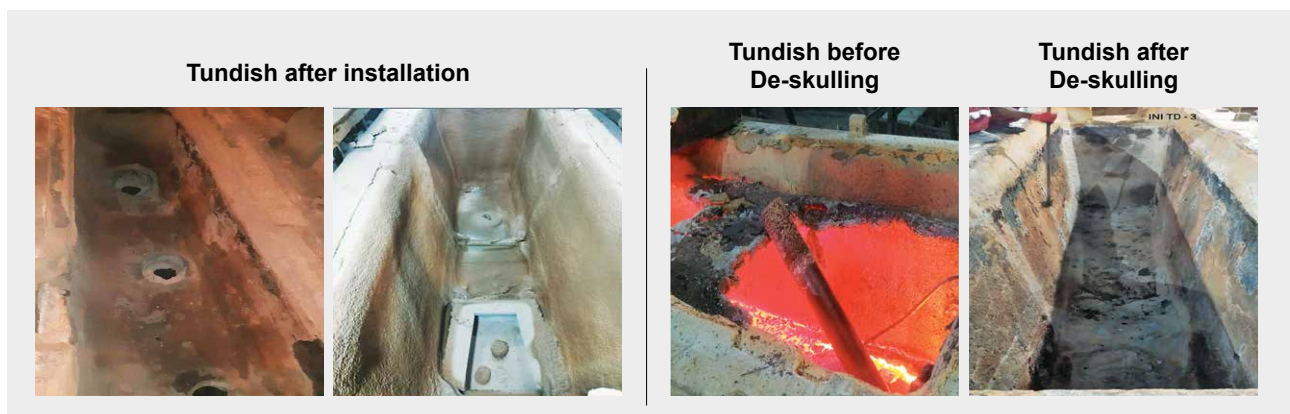


## RECYCLING INITIATIVES

### Secondary raw material usage in Basic Monolithic product line

We manufacture basic spray mass while using Dead Burnt Magnesia (DBM) whereas in the process of manufacturing DBM by our vendors huge amount of CO<sub>2</sub> is generated.

Thus, reduction of this raw material will indirectly reduce the CO<sub>2</sub> generated for manufacturing of our products. In-line with the reduction of C-foot print in steel industry, we evaluated various options of sourcing secondary RM i.e., used magnesia bricks from other industries and identified suitable ones for our basic mono recipes. The right amount of this secondary RM in our recipes is arrived at by various customer trials and established for some of the fast moving product lines. Accordingly, in H2 2021 secondary raw material usage was significant.



## ENERGY CONSERVATION

### Solar Power Energy Initiatives

We are in the process of installing roof top solar plant at our plants at Kolkata and Vishakhapatnam as part of Business Responsibility and Sustainability initiatives.

The installation will be completed in two phases at our Kolkata and Visakhapatnam factories.

Solar energy has the least negative impact on the environment compared to any other energy source as it does not produce greenhouse gases thus it will reduce CO<sub>2</sub> emissions.



## VOLUNTARY VACCINATION DRIVE

With the Coronavirus second wave outbreak causing panic and a rising death toll, Vesuvius India had embarked upon a major voluntary vaccination drive for more than 3,800 colleagues and family members.

The impact of the second COVID wave has been significant on our people and our organisation.

Anticipating a third wave, vaccination was critical to protect our people and to continue serving customers. The on-site inoculation drive began in the first week of June 2021 from our plant in Kolkata and followed by Vizag plant, Mehsana plant and our various customer locations in collaboration with top quality healthcare facilities.

Another initiative was the procurement of 10 Oxygen Concentrators for different locations, to be used in medical emergencies by any of the employees or their family members.



## ANNUAL “LIVING THE VALUE AWARD”

Vesuvius' CORE Values of Courage, Ownership, Respect and Energy were launched in 2018 to bring us together, help guide our behaviours and make the right decisions. Our CORE Values are more than words: they are the foundations of our culture, how we behave towards each other and respond to challenges. Our CORE Values guide, inspire and unite us all. With our CORE values we will face a challenging future with confidence.

Two employees of the Company were declared winners of out of four annual global awards in the Financial Year 2021.



**Global Winner**  
**CORE Value “Respect”**

**Jhuma Chowdhury**  
Assistant HR Manager  
Vesuvius India Limited



**Global Winner**  
**CORE Value “Energy”**

**Balla Murugesh**  
Assistant Manager - Mechatronics  
Vesuvius India Limited

# BOARD'S REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

for the year ended on December 31, 2021

The Directors have the pleasure of submitting their Annual Report together with the Audited Financial Statements for the year ended on December 31, 2021. (Rs. in Lakhs)

Financial Results	Year ended 31.12.2021	Year ended 31.12.2020
Revenue from Operations	104,716	79,151
Other Income	1,966	2,098
<b>Total Revenue</b>	<b>106,682</b>	<b>81,249</b>
Profit before Depreciation, Interest & Tax (PBDIT)	10,296	7,939
Depreciation & Amortisation	2,734	2,624
Interest	(1,594)	(1,840)
Profit before Tax	9,156	7,155
Provision for Income Tax	2,351	1,850
Profit for the year after Tax	6,805	5,305
Other comprehensive income for the year, net of tax	66	(149)
<b>Total comprehensive income for the year</b>	<b>6,871</b>	<b>5,156</b>
<b>Transfer to Reserves:</b>	<b>Nil</b>	<b>Nil</b>
<b>Proposed Dividend:</b>		
Proposed Dividend @ Rs. 8 per share (Rs. 7 per share in 2020)	1624	1,421
<b>Basic &amp; Diluted Earnings Per Share:</b>	<b>33.52</b>	<b>26.13</b>
<b>Disclosures under Regulation 34(3) read with Schedule V Para B of SEBI LODR</b>		
(i) Debtors Turnover Ratio	6.07	4.40
(ii) Inventory Turnover Ratio	5.91	6.60
(iii) Interest Coverage Ratio	N.A.	N.A.
(iv) Current Ratio	3.74	4.46
(v) Debt Equity Ratio	N.A.	N.A.
(vi) Operating Profit Margin (%)	7%	7%
(vii) Net Profit Margin (%)	6%	7%
(viii) Return on Net Worth (%)	8%	6%

## Details of significant change in Ratios i.e. change of 25% or more

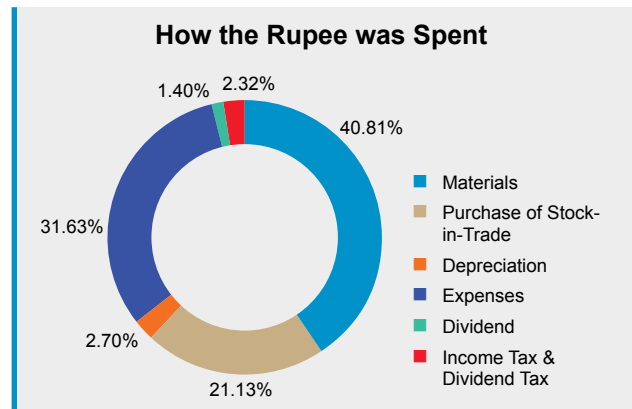
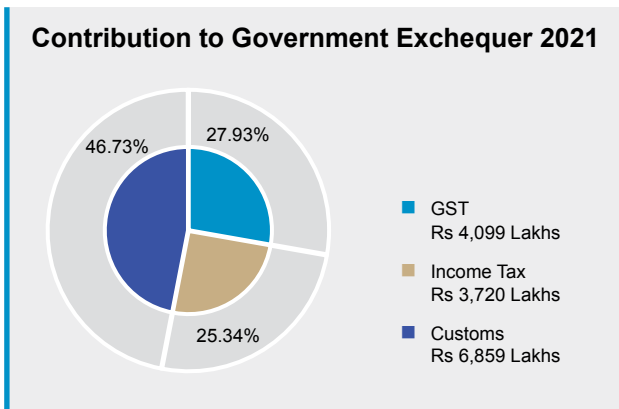
- The Debtors Turnover ratio has increased to 6.07 in 2021 from 4.40 in 2020 because the average collection period of debtors has come down due to better collections.
- Return on Net Worth has increased to 8% in 2021 from 6% in 2020 because during the same period EBIT has recorded more increase (42%) than the Sales increase (32%).

## 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 December 31 of each year.

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

Initial advance estimates suggest that the Indian economy is expected to witness a real GDP expansion of 9.2% in 2021-22 after a contraction of 7.3% in 2020-21. This implies that overall economic activity has recovered past the pre-pandemic levels. Almost all indicators show that the economic impact of the Covid-19 second wave was much lesser than the first wave even though the health impact was more severe. World Bank and Asian Development Bank have predicted real GDP growth of India for 2022-23 at 8.7% and 7.5%, respectively.



In 2021-22, it is expected that the demand for consumption to increase by 7.0%, Gross Fixed Capital Formation (GFCF) to grow by 15%, exports to grow by 16.5%, and imports to grow by 29.4%.

With an aim to enhance job creation and boost economic activity by the Government it is proposed to expand national highways, manufacture new-generation trains, and increase affordable housing which may be helpful to the steel industry.

The aforesaid factors suggest a handsome growth for the Refractory Industry and the same is evidenced by the fact that many foreign refractory companies are enhancing their manufacturing capacities and this trend may be followed by new entrants to set up their facilities in India.

The combined Index of eight core industries stood at 141.3 in December 2021, indicating an increase of 3.8% (provisional) as compared to December 2020. The production of Coal, Natural Gas, Refinery Products, Fertilizers, Cement, and Electricity industries increased in December 2021 over the corresponding period of last year.

Due to various factors associated with the global supply chain the prices of a few imported raw materials are at an all-time high level. Further, freight prices and congestion at the ports due to the pandemic have considerably increased the pressure on the input costs. Demand forecasting and availability during pandemic has added a new layer of complexity to supply chain management.

Repeated waves of Covid-19 infection, supply-chain disruptions, and more recently inflation, have created particularly challenging times for policymaking. To



▲ Independence Day Celebrations



▲ Long Service Award (Kolkata)



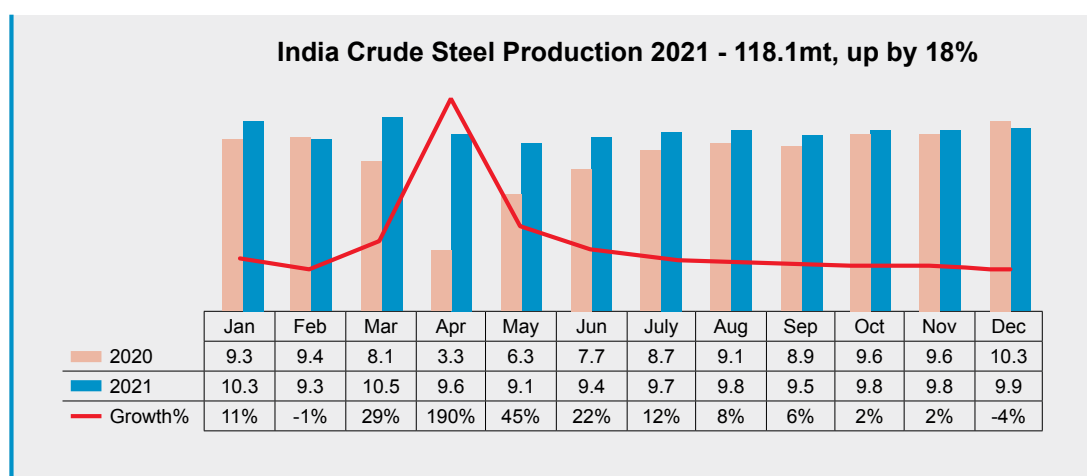
▲ Long Service Award (Vizag)

## BOARD'S REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

counter this, the Government of India offered safety nets to cushion the impact on vulnerable sections of society and the business sector. It also increased capital expenditure on infrastructure to build back medium-term demand. Some of the other recent government initiatives in this sector are as follows:

- Announcement of guidelines for the approved specialty steel production-linked incentive scheme.
- India and Russia signed an MoU to carry out R&D in the steel sector and produce coking coal (used in steelmaking).
- The Union Cabinet approved the production-linked incentive scheme for specialty steel. The scheme is expected to attract investment worth ~Rs. 400 billion (US\$ 5.37 billion) and expand specialty steel capacity by 25 million tonnes, to 42 MT in FY27, from 18 million tonnes (FY21).

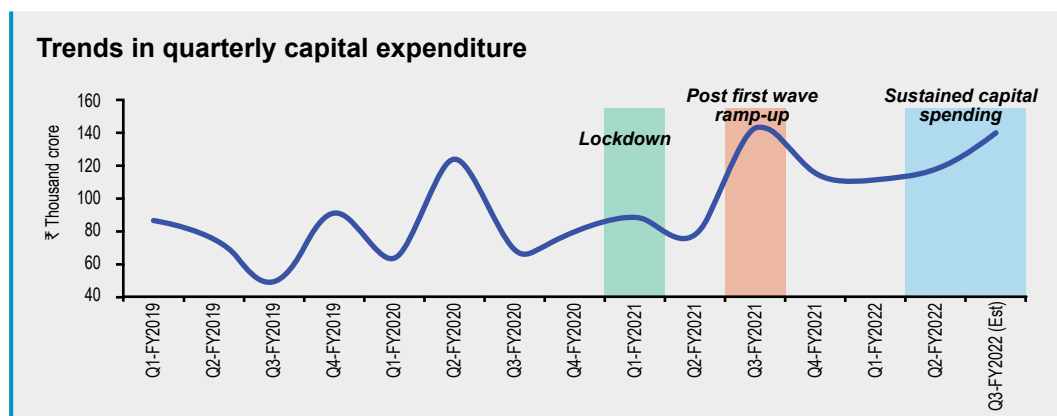
2021 Crude steel production of 118.1 million tons shows an increase of 18% over the year 2020.



The steel industry and its associated mining and metallurgy sectors have seen major investments and developments in the recent past. Some of the major investments in the Indian steel industry are as follows:

- Arcelor Mittal Nippon Steel announces a 24 million new steel plant in Odisha with an investment of Rs. 1,02,275 crores.
- JSW Utkal Steel is waiting for environmental clearance for the 13.20-million-ton new steel plant in Odisha with an investment of Rs. 65,000 crores.
- Arcelor Mittal Nippon Steel – Hazira has received terms of reference for the 6.0-million-ton expansion project with an investment of Rs. 31,600 crores.
- BMM Ispat announced plans to expand its steel plant capacity from 0.96 million tons to 2.1 million tons at Hospet in Ballari district of Karnataka with an investment of Rs. 10,955 crores.
- POSCO and the Adani Group have agreed to explore business cooperation opportunities, including the establishment of green, environment-friendly integrated steel mill at Mundra, Gujarat, as well as other businesses. The investment is estimated to be up to USD five billion.
- Jindal Steel & Power will expand the Odisha plant capacity from six million tons to 12 million tons at Angul (Odisha), which will take its overall steel capacity to 16 million tons in India. The capex is pegged at Rs. 18,000 crores.
- JSW Steel to infuse Rs. 25,115 crores on expansion at Vijayanagar. Foundation stone laid for five million ton project at JSW Steel Vijayanagar Works.
- Rungta Mines announced the expansion of the Steel manufacturing facility in Odisha at a cost of Rs. 11,001 crores.

With the easing of movement and health-related restrictions in Q3 of 2020-21, capital spending was pushed for encouraging expenditure in sectors with the most positive effect on the economy. The focus on capital spending has been sustained during the current fiscal, as the capital expenditure shows an increasing trend during 2021:



Of the five major sectors, the highest growth was seen in the manufacturing sector followed by the Mining and the Electricity sectors.

#### Operating & Financial Performance, Internal Control

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 the Board Report. There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in the future. While preparing the financial statements, there has been no treatment different from the Accounting Standards.

The unprecedented health crisis triggered by the COVID-19 pandemic not only posed a significant threat to human life but also impacted livelihood. After combating the first wave of coronavirus, the second wave staged a more horrific atmosphere than the earlier one to human life. Vaccination has had a crucial role in restricting the impact of Covid-19, restoring confidence in the economy, and decreasing the effects of the second wave on India's economy. Vaccination had a crucial role in reducing the number of deaths, restoring confidence in the economy, and decreasing the effects of the second wave on India's economy.

In such a scenario, vaccination was one of the primary goals as well as a challenge considering that the company has a multi-location operation across the country and a scarcity of vaccines. The Company embarked on a large-scale voluntary vaccination drive covering thousands of employees and their respective family members by setting up multiple vaccination camps in collaboration with top-quality healthcare organisations at our factories and customer locations to ensure the good health and well-being of its people and communities at large.

All four factories worked efficiently during the year despite the controlled COVID-19 environment. Safety measures and processes have been installed and improved upon at all factories and work sites. All COVID-19 protocols and compliances have been strictly followed.

The Company was benefited from the increase in production by steel plants across the country as well as the stronger market position of the Company. Revenue from operations in 2021 did therefore increase by over 32.3% and net profit by 28% as compared to 2020.

The Company made a significant investment in renewable energy i.e. solar power that will reduce carbon footprint as well as reduce the manufacturing cost. Once fully complete, renewable energy will constitute roughly 18% of the total electrical energy demand of the company.

## BOARD'S REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

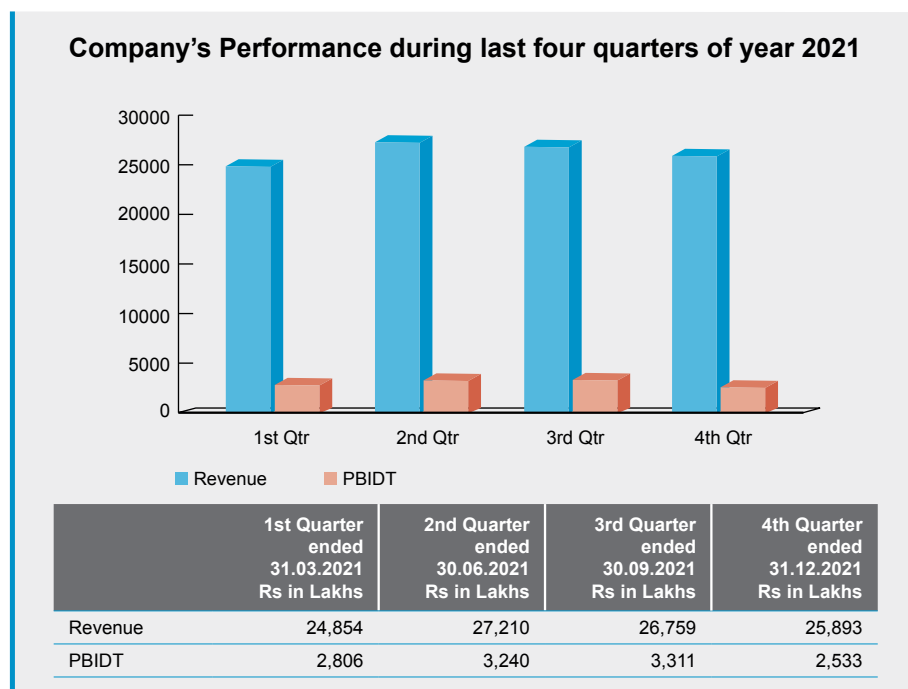
The Company has been making increasing investments and research and development of products and technology. In 2021, it has established a technical leadership position in the Taphole clay business in the most complex blast furnace operations across India. This line of business has shown an increase of 42% of growth over the last financial year.

The company has made investments in the improvement of business processes leveraging digital technology. This allowed company to continuously improve customer service levels mitigating some impact of supply chain complexity. The Company with the help of the parent Vesuvius Group has developed a diversified supplier base and multiple options for key raw materials. This allows us to follow a fairly aggressive purchasing strategy by pooling volumes across geographies and exerting reasonable purchasing power. These factors together quite effectively counter the relevant risk.

The Company has initiated several investments to enhance manufacturing capabilities and capacities in its plant at Kolkata as well as Vizag. In addition to this, the Company is at an advanced stage of acquiring a land parcel at Vizag to meet the future needs of capacity expansion as well as setting up manufacturing capabilities for new products. These investments shall enable the Company in addressing the growing demand from the Indian market as well as support the vision of Atmanirbhar Bharat.

The product development team and R&D facility at Visakhapatnam are working tirelessly to have a better insight and understanding of local customer needs, quick turnaround time, and extend a customised solution demanded by our customers. In addition, the R&D facility has helped establish the compatibility of alternate raw materials, utilisation of recycled material as well as improved performance in applications. Innovation and customised solutions offered to our customers have helped the Company to increase sales by 32.3% whereas the real growth in steel manufacturing has been only 18% during the financial year 2021.

The steel and foundry industry comprise the biggest set of our customers which are cyclic and accordingly, we are impacted by the developments taking shape in these industries. The Company has a continuous process to identify risks and take mitigation measures to limit the impact posed by such risks.



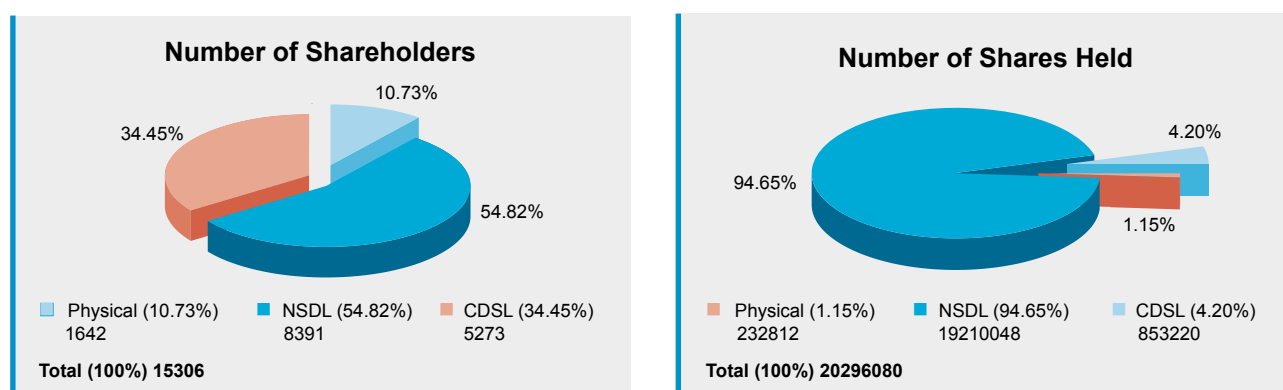
The Company has in place an established internal control system designed to ensure proper recording of financial and operational information and compliance with various internal controls and other regulatory and statutory compliances. These internal controls have been strengthened with the introduction of more electronic controls, compliances, and vigilance methods. 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, has been complied with. Self-certification exercises are also conducted under which senior management of the Company certify the effectiveness of the internal control system, their adherence to the Code of Conduct and the Company's policies for which they are responsible, financial, or commercial transactions, if any, where they have a personal interest or potential conflict of interest. Internal Audit is conducted on a pan-India basis. The company's Policies and the Code of Conduct and CORE Values and Behaviours are 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.in](http://www.vesuviusindia.in), is mentioned later in the Board Report.

### Dividend

Your Board of Directors is pleased to recommend a dividend of Rs. 8/- per Equity Share (previous year Rs. 7/- per Equity Share) of nominal value of Rs. 10/- each. The dividend will entail a cash outflow of Rs. 1,624 lakhs (previous year Rs. 1,421 lakhs). If declared by the Shareholders at the forthcoming Annual General Meeting, the dividend will be deposited with the bank within 5 days from the date of declaration and will be paid within May 20, 2022.



### 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 Group continues to have close, collaborative relationships with customers supported by an extended global manufacturing network aligned with customer locations. Vesuvius has focused on 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 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, Human resources, etc.

## BOARD'S REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

### ISO Certification

The Company's factories at Kolkata and Visakhapatnam have been certified ISO 9001:2015 for Quality Management Systems Standards. Our customer operations at Tata Steel Jamshedpur and Kalinganagar are ISO 45001: 2018 and OHSAS 18001: 2018 certified.

### Board of Directors

During the financial year ended on December 31, 2021, Mr Subrata Roy, who was appointed as Managing Director on August 19, 2020 had stepped down as the Managing Director with effect from March 15, 2021, and Mr Nitin Jain was appointed as the Managing Director of the Company effective from March 16, 2021, for five years by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The appointment of Mr Jain was approved by the members of the Company at their 30th Annual General Meeting held on April 27, 2021.

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013 (the "Act"), the members of the Company at the 30th Annual General Meeting (AGM) held on April 27, 2021, re-appointed Mr Thiago da Costa Avelar, who was liable to retire by rotation.

None of the Directors of the Company are disqualified/debarred as per the applicable provisions of the Act and the Securities and Exchange Board of India (the "SEBI").

### Director Retiring by Rotation

Mr Henry James Knowles retires from the Board by rotation and being eligible, offers himself for re-appointment. The Board of Directors recommends the said re-appointment. The resume and other information regarding re-appointment of Mr Knowles as required under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI LODR") have been given in the Notice convening the ensuing AGM.

### Information Regarding the Directors Seeking Appointment

The Board of Directors of your Company on the recommendation of the Nomination and Remuneration Committee has appointed Mr Pascal Genest as an Additional Director (Non-Executive Non-Independent) effective from February 24, 2022.

Mr Pascal Genest was appointed as President, Vesuvius Flow Control, in January 2021 and became a member of the Vesuvius Group Executive Committee. Mr Genest's experience spans across various international leadership roles in different sectors, including 15 years of experience in the steel industry, mainly with Arcelor Mittal and, most recently, with GFG Alliance where he held the position of CEO Liberty in the Czech Republic and earlier CEO of SULB in Bahrain. During his career, he has also worked in consulting, in private equity, and the aluminium industry.

Mr Pascal Genest graduated from the Ecole Polytechnique (France) and holds an MSc in Civil Engineering from Ecole des Ponts Paristech (France). He is also an MBA from Harvard Business School. Mr Genest will bring his strong strategic orientation to Vesuvius, which is underpinned by in-depth knowledge of the steel industry and a proven track record in growing businesses.

Mr Pascal Genest does not hold a directorship in any other Indian company. However, Mr Genest is a Director as well as a member of three foreign companies viz., FAVI SA (France), PAMAGE SAS (France), and Electropoli SA (France, subsidiaries in Czechia and Poland). He is also an Executive Chairman of PAMAGE SAS (France). He does not hold any shares of the Company. He is not related to any Director or Key Managerial Personnel of the Company or their relatives.

As per Sections 152, 160 and other applicable sections of the Act and the Rules made thereunder, read with Regulation 17(1C) of SEBI LODR, approval of shareholders is being sought at their ensuing Annual General Meeting for the appointment of Mr Genest as a director liable to retire by rotation. In this regard, the Company has received notice from a member signifying his intention to propose the candidature for the appointment of Mr Genest as a Director of the Company.

The resume and other information regarding the appointment of Mr Genest as required under Regulation 36 of the SEBI LODR and the Secretarial Standard - 2 (Revised) have been given in the Notice convening the ensuing AGM.

### Separate Meeting of Independent Directors & Evaluation Process

Mr Biswadip Gupta, Mr Sudipto Sarkar, and Miss Nayantara Palchoudhuri, Independent Directors of the Company, had a separate meeting held on December 14, 2021, in terms of Schedule IV to the Companies Act, 2013 and the SEBI

LODR, whereat performance of Non-Independent Directors, the Board as a whole, and the Chairman of the Company was reviewed together with the assessment of the quality, quantity, and timeliness of the flow of information between the management of the Company and the Board as well as oversight of succession planning, risk management, internal controls and prioritization of strategic objectives and Board efficiency. The Nomination and Remuneration Committee also conducted a similar evaluation exercise. The evaluation concluded that the Board, its Committee and individual Directors continue to function effectively and remains well balanced and diverse with a strong mix of relevant skills, expertise, and experience.

#### **Declaration by Independent Directors**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Regulation 16 of the SEBI LODR. The Independent Directors have also confirmed that they have registered their names in the data bank of Independent Directors as being maintained by the Indian Institute of Corporate Affairs (IICA) in terms of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended).

#### **Compliance with the Code of Conduct**

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 Mr Nitin Jain, Managing Director, is attached and forms a part of this Report. The Code of Conduct is available on the Company's website [www.vesuviusindia.in](http://www.vesuviusindia.in). All Directors have confirmed compliance with provisions of section 164 of the Act.

The details of the 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.

#### **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 Act, and provisions of the SEBI LODR and in the preparation of the annual accounts for the year ended on December 31, 2021, 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 the 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 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, 2021:

- a) Mr Subrata Roy, Managing Director (up to 15.03.2021)
- b) Mr Nitin Jain, Managing Director (from 16.03.2021)
- c) Mr Vikram Singh, Company Secretary
- d) Mr Sivasish Sen, Chief Financial Officer

## BOARD'S REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

### Corporate Governance

The Company has in place the Corporate Governance as per the SEBI LODR. 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 Subrata Roy had resigned from the Board effective from March 15, 2021 and Mr Nitin Jain joined the Board on March 16, 2021.

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 Board of Directors and the Committees thereof. 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 Act and the Rules thereon.

The Corporate Governance Report for the year ended on December 31, 2021, giving the details as required under Regulation 34(3) read with Para C of Schedule V of SEBI LODR is given separately as **Annexure I** and forms part of this Report.

The Corporate Governance Certificate for the year ended on December 31, 2021, issued by Mr Anjan Kumar Roy of M/s Anjan Kumar Roy & Co, Company Secretaries, Secretarial Auditor of the Company, is also attached as **Annexure II** and forms a part of this Report. The certificate issued by Mr Anjan Kumar Roy of M/s Anjan Kumar Roy & Co, Company Secretaries pursuant to Para C Clause (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 SEBI/Ministry of Corporate Affairs or any such statutory authority is given separately as **Annexure III** and forms a part of this Report.

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. The Company Secretary is also the Nodal Officer for the purpose of compliances relating to the Investor Education and Protection Fund.

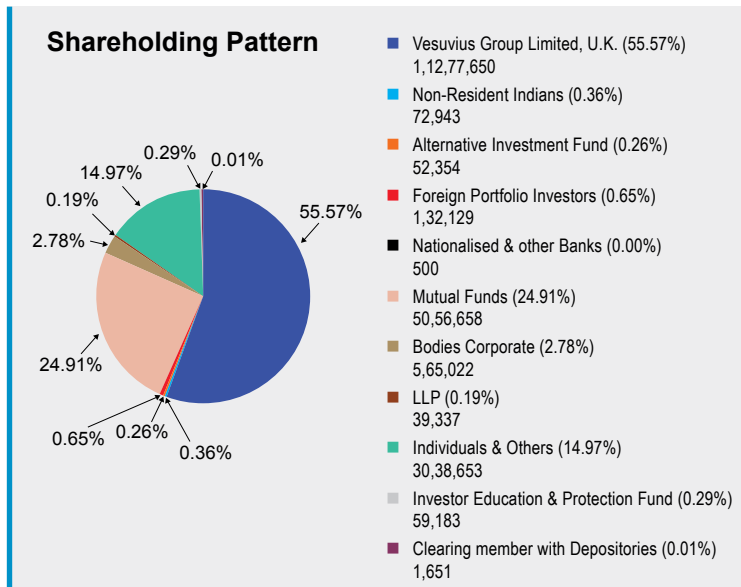
The Managing Director and the Chief Financial Officer have given their certificate under Regulation 17(8) read with Part B of Schedule II of SEBI LODR regarding the annual financial statements for the year ended on December 31, 2021, to the Board of Directors. Mr Nitin Jain, Managing Director, has also 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, 2021, both the certificates are attached as **Annexure IV** and **Annexure V** and form a part of the Board's Report.

### Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements. During the year, such controls were reviewed and no reportable material weakness was observed.

### Audit Committee

The Audit Committee was constituted on October 24, 2000. The Committee as of December 31, 2021, comprises Mr Biswadip Gupta as Chairman and Mr Thiago da Costa Avelar, 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/whistle blower policy which is available on the Company's website [www.vesuviusindia.in](http://www.vesuviusindia.in). All persons have been given direct



access to the Chairman of the Audit Committee to lodge their grievances. No person has 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 to which the Company may be exposed.

The details of terms of reference of the Audit Committee, number, and dates of meetings held and attendance of the Directors, and remuneration paid to them during the year ended on December 31, 2021, 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 of December 31, 2021, comprises Mr Biswadip Gupta as Chairman and Mr Henry James Knowles, Mr Nitin Jain, Miss Nayantara Palchoudhuri, and Mr Sudipto Sarkar as Members. Rajeev Chalana is the Secretary of this Committee.

The Corporate Social Responsibility Policy is available on the Company's website [www.vesuviusindia.in](http://www.vesuviusindia.in).

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, 2021, are given separately in the attached Corporate Governance Report.

The Annual Report on Corporate Social Responsibility is attached as **Annexure X**.

Vesuvius is committed to positively contributing to the future of the planet by supporting educational opportunities for children and youth, as well as those coming from a disadvantaged background and especially encouraging more women into scientific/technical fields of education. Activities like supporting healthcare, hunger/poverty eradication, welfare, etc. are also covered under CSR Policy. The 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 a



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. The Company has spent approx. Rs. 230 lakhs (Rs. 163 lakhs in 2020) on CSR activities during the year. Due to the various waves of the COVID -19 pandemic, movement of our CSR team faced many challenges, despite best efforts, while executing various CSR projects undertaken by the Company which resulted into a shortfall from the amount prescribed under the Act. However, the shortfall amount of Rs. 15.82 lakh was deposited in the Swachh Bharat Koshi.e. a fund prescribed under the second proviso of section 135(5) and Schedule VII of the Act, on February 16, 2022.

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on April 29, 2014, and the members as on December 31, 2021, are Mr Sudipto Sarkar as Chairman and Mr Patrick Andre, Mr Biswadip Gupta, 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.

## BOARD'S REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT *(Contd.)*

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.in](http://www.vesuviusindia.in). 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, 2021, are given separately in the attached Corporate Governance Report which forms a part of this Report.

### **Risk Management Committee**

The Risk Management Committee was constituted on April 25, 2019, and the following are Members as on December 31, 2021:

#### **Directors:**

Mr Biswadip Gupta, Chairman  
Mr Nitin Jain, Managing Director  
Mr Henry James Knowles  
Miss Nayantara Palchoudhuri  
Mr Sudipto Sarkar

#### **Senior Executives of the Company:**

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

The Company's Risk Management Policy is available on the Company's website [www.vesuviusindia.in](http://www.vesuviusindia.in). 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, 2021, are given separately in the attached Corporate Governance Report which forms a part of this Report.

### **Board Management Committee**

The Board Management Committee was constituted on November 11, 2020, and the following are Members as on December 31, 2021:

Mr Biswadip Gupta, Chairman  
Mr Nitin Jain, Managing Director

The Company Secretary is the Secretary of this Committee.

The 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, 2021, are given separately in the attached Corporate Governance Report which forms a part of this Report.

### **Stakeholders Relationship Committee**

The Committee was constituted on January 1, 1993, with a different name and the latest name change took place on February 24, 2022. The Members of the Committee as on December 31, 2021, are Mr Biswadip Gupta as Chairman, Mr Henry James Knowles, Mr Nitin Jain, 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 resolving/attending investors grievances/requests and other routine share maintenance work to M/s C B Management Services (P) Ltd, the Registrar and Share Transfer Agent of the Company. All valid requests for dematerialisation and rematerialisation of shares, transmission of shares and other share maintenance matters are completed within 15 days of receipt of valid and complete documents. The details of terms of reference of the Stakeholders Relationship Committee, number and dates of meetings held, attendance of the Directors, and remuneration paid to them during the year ended on December 31, 2021, are given separately in the attached Corporate Governance Report which forms a part of this Report.

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**

The Company has a balance of unclaimed dividend (relating to the financial year ended on 31.12.2014) amounting to Rs. 5.14 Lakhs as on December 31, 2021, which have not been paid or claimed for seven consecutive years and the due date for the transfer of the said unclaimed dividend to IEPF is June 8, 2022. Further, the shares in respect of which dividend has not been paid or claimed for seven consecutive years, are also due for transfer into IEPF on the same date.

In adherence to the said IEPF Rules, the Company has sent individual reminders to the concerned shareholders on February 4, 2022, as well as an advertisement has also been published in the newspapers on February 10, 2022, and they are requested to encash their unclaimed dividends on or before May 20, 2022. In case the Company/RTA does not receive any claim from such shareholders by May 20, 2022, the Company shall proceed to transfer such unclaimed dividend/shares to IEPF as per the IEPF Rules, without any further notice.

A list of Shareholders whose dividend remain unclaimed till the date of the Annual General Meeting held on April 27, 2021, have been uploaded on the website of the Company [www.vesuviusindia.in](http://www.vesuviusindia.in) under the heading "Investor Information". Shareholders are requested to check their unclaimed dividend from the list and contact the Registrar and Share Transfer Agent to encash their unclaimed dividends.

### **Auditors**

M/s 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, 2021, and they have made no qualification, reservation or adverse remark or disclaimer in their Report. 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.

Auditors have represented to be eligible for the reappointment as the Statutory Auditors of the Company, to hold office for a second term of five years commencing from the conclusion of the Thirty First (31st) Annual General Meeting till the conclusion of the Thirty Sixth (36th) Annual General Meeting of the Company. Accordingly, based on the recommendations of the Audit Committee and the Board of Directors, an appropriate resolution for approval of the appointment of M/s Price Waterhouse Chartered Accountants LLP, (Firm Registration No: 012754N/ N500016) as the Statutory Auditors of the Company has been proposed in the Notice convening the ensuing Annual General Meeting.

### **Secretarial Audit**

Secretarial Audit, as required under section 204 of the Companies, Act 2013 and regulation 24A of SEBI LODR, was conducted by M/s Anjan Kumar Roy & Co. Company Secretaries. The Secretarial Audit Report is attached as **Annexure VI** and these form a part of the Board's Report. There are no qualifications or observations, or adverse remarks made by the Secretarial Auditor in their Reports.

### **Compliance of Secretarial Standards**

The Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2 issued by the Institute of Company Secretaries of India.

### **Cost Audit**

M/s Gondesi & Co, Cost and Management Accountants, have been appointed as the Cost Auditors of the Company for the financial year ending on December 31, 2022. The remuneration payable to the Cost Auditors is required to be approved by the Members of the Company. Accordingly, 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 Act, 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.

## BOARD'S REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT *(Contd.)*

### 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 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.

### 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. All these related party transactions are in the ordinary course of business and are at arm's length hence the restrictive provisions of section 188(1) of the Act are not attracted to these transactions. In compliance with the provisions of Regulation 34(3) read with Para A Schedule V of SEBI LODR read with section 134(3)(h) of the Act 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. Therefore, the prescribed Form AOC-2 is not applicable to the Company.

### Material Changes and Commitments

There are no material changes and commitments affecting the financial position of the Company occurring between December 31, 2021, and the date of this Report. The impact of COVID 19 pandemic has not been material on the financial performance of the Company.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

### Particulars of Employees

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

### Annual Return

The Annual Return for the year ended December 31, 2020, which was electronically filed with the Ministry of Corporate Affairs on May 31, 2021, is available on the website of the Company [www.vesuviusindia.in](http://www.vesuviusindia.in).

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act, the draft Annual Return of the Company for the Financial Year ended December 31, 2021 is uploaded on the website of the Company at [www.vesuviusindia.in](http://www.vesuviusindia.in). The final Annual Return shall be uploaded in the same web link after the said Return is filed with the Registrar of Companies, Kolkata.

### 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.in](http://www.vesuviusindia.in). All employees, especially women employees, were made aware of the Policy and the manner in which complaints could be lodged. The Committee submitted their sixth 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 Clause 10(l) of Para C of Schedule V of SEBI LODR for the year ended December 31, 2021:

- |   |   |  |
|---|---|--|
| a. Number of complaints of sexual harassment received in the year   | : | Nil  |
| Note: The Committee suo moto took note of one purported POSH issue (no written complaint was received) which was investigated and disposed of within 90 days. |   |  |
| b. Number of complaints disposed off during the year  | : | Nil  |
| c. Number of cases pending for more than ninety days  | : | Nil  |
| d. Number of complaints pending as on the end of the financial year   | : | Nil  |
| e. Number of workshops or awareness programmes against Sexual Harassment carried out  | : | Employees have been given online training during the pandemic. |
| f. Nature of action taken by the employer or District Officer   | : | Nil  |

### Business Responsibility Report

The Business Responsibility Report for the Company for the financial year ended on December 31, 2021, is attached as **Annexure VII**, and forms a part of this Report.

### 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 the Board's Report:

Annexure	Particulars
I	Corporate Governance Report
II	Certificate on Corporate Governance
III	Certificate under Schedule V of SEBI LODR
IV	Managing Director and Chief Financial Officer's Certificate under Regulation 17(8) of SEBI LODR
V	Managing Director's Certificate on compliance with Code of Conduct
VI	Secretarial Audit Report
VII	Business Responsibility Report
VIII	Prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
IX	Particulars of Employees
X	Annual Report on Corporate Social Responsibility

### Company Policies

The following policies of the Company are available on the Company's website [www.vesuviusindia.in](http://www.vesuviusindia.in) 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:

- Remuneration Policy
- Corporate Social Responsibility Policy
- Terms and conditions of Appointment of Independent Director
- Related Party Transactions Policy

## BOARD'S REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

- 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) Code of Conduct

### 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. Various training and awareness programmes conducted to enhance professional skills and development needs and keep employees aware of the CORE Values and Behaviours and policies of the Company. Open communications supported by regular updates across businesses and operations encourage information dissemination and exchange of best practices. The I-ENGAGE programme of the Vesuvius Group brings forth opportunities for improvement in human relations and operations

The Company strictly adheres to the prescribed norms and practices regarding health, safety, and environment. All COVID-19 protocols and directives were implemented, and employees received numerous supports during the period of disruption caused by this pandemic.

All employees have been made aware of the Insider Trading Code and undergone training on commercial and operational matters and also 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, especially during the unprecedented Covid environment, in continuing their achievements and 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**

(DIN : 00048258)

Place : Kolkata

Date : February 24, 2022

## ANNEXURE - I

# CORPORATE GOVERNANCE REPORT

This Corporate Governance Report relating to the financial year ended on December 31, 2021, has been prepared in compliance with the requirements of Regulation 34(3) read with Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and forms a part of the Board's Report of the Company.

### 1. OUR COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance refers to, but is not limited to, a set of laws, regulations and good practices & systems that enable an organisation to perform efficiently and ethically to generate long-term wealth and create value for all its stakeholders. Sound governance practices and responsible corporate behaviour contribute to the superior long-term performance of organisations. Corporate Governance requires everyone to raise their level of competency and capability to meet the expectations in managing the enterprise and its resources optimally with prudent ethical standards. Our Company recognises that good corporate governance is a continuous exercise. Adherence to transparency, accountability, fairness and ethical standards are an integral part of the Company's function.

Our Company's structure, business dealings, administration and disclosure practices are aligned to good corporate governance philosophy and to add value to customers' businesses providing materials, equipment, processes and services that allow them to increase the efficiency, quality and profitability of their operations while upholding our CORE values Courage, Ownership Respect and Energy and include our values of Creativity, Co-operation, Reliability, Integrity, Embracing Diversity and compliance with laws. The Company has an adequate system of control in place to ensure that the executive decisions taken should result in optimum growth and development which benefits all the stakeholders and aims to increase and sustain its corporate values through growth and innovation. The 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.

#### Date of Report

The information provided in this Report on Corporate Governance is as on December 31, 2021 for the purpose of unanimity. This Report is updated as on the date of the Report wherever applicable.

**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

The Company recognises the importance of a diverse board in its success. The Board is entrusted with the ultimate responsibility of the management, direction and performance of the Company and has been vested with the requisite powers, authorities and duties. The SEBI LODR mandates that for a listed company with a non-executive chairman, at least one-third of the board should comprise of independent directors. As on December 31, 2021, the Board comprised of 7 (seven) directors, of which 3 (three) were Independent Directors including the Chairman. The composition of the Board is in conformity with the requirements of Regulation 17(1) of the SEBI LODR.

The composition of the Board of Directors, the number of other committees of which a director is a Member/Chairperson and the attendance of each director at the Board Meetings and the last Annual General Meeting (AGM) of the Company were as follows:

Name of the Director and Category	No. of membership on Board committees including the Company <sup>A</sup>	No. of chairmanship on Board committees including the Company <sup>A</sup>	No. of Board meetings attended during the year 2021	Attendance at last AGM held on April 27, 2021
Mr Biswadip Gupta (Chairman - Independent Director) (DIN: 00048258)	3	2	5	Yes
Mr Patrick Georges Felix Andre# (Non-Executive Non-Independent) (DIN: 07619754)	0	0	5	Yes

## ANNEXURE - I

# CORPORATE GOVERNANCE REPORT *(Contd.)*

Name of the Director and Category	No. of membership on Board committees including the Company <sup>^</sup>	No. of chairmanship on Board committees including the Company <sup>^</sup>	No. of Board meetings attended during the year 2021	Attendance at last AGM held on April 27, 2021
Mr Nitin Jain (Executive, Non-Promoter - from 16.03.2021) (DIN: 07934566)	1	0	3	Yes
Mr Thiago da Costa Avelar <sup>#</sup> (Non-Executive Non-Independent) (DIN:08697241)	1	0	5	Yes
Mr Henry James Knowles <sup>#</sup> (Non-Executive Non-Independent) (DIN: 08751453)	1	0	5	Yes
Miss Nayantara Palchoudhuri (Independent Director) (DIN: 00581440)	9	0	5	Yes
Mr Subrata Roy (Executive, Non-Promoter - Upto 15.03.2021) (DIN: 07046994)	0	0	2	NA
Mr Sudipto Sarkar (Independent Director) (DIN: 00048279)	7	0	5	Yes

<sup>#</sup>Nominee of the ultimate holding company

<sup>^</sup>Only membership/ chairmanship of the Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies have been considered.

The Committee positions are based on the latest disclosures received by the Company.

During the financial year ended on December 31, 2021, Mr Subrata Roy, who was appointed as managing director of the Company for the interim period, had resigned from the office of managing director with effective from March 15, 2021, and the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee has appointed Mr Nitin Jain as Managing Director of the Company with effect from March 16, 2021, for a period of five years. The appointment of Mr Nitin Jain has been approved by the members of the Company at their 30th Annual General Meeting held on April 27, 2021.

Mr Jain had been with Imerys, the French mineral and mining organisation, and was the Managing Director, Imerys Ceramics (India) Private Limited, and Sales and Technical Director for the APAC Region. Mr Jain has also worked in leadership roles in mergers & acquisitions, operations, product management, sales and technology in both North America and Asia. He does not hold any shares in the Company.

All Directors have confirmed that they are free from any disqualification mentioned under Section 164 and/or any other provisions of the Companies Act, 2013 (the "Act"). The Independent Directors namely, Mr Biswadip Gupta, Mr Sudipto Sarkar and Miss Nayantara Palchoudhuri, have given declaration and confirmed that they fulfill the criteria for "independence" and/or "eligibility" as prescribed under the SEBI LODR and Section 149 of the Act and they have also affirmed compliance with the Code of Conduct of the Company and the Code for Independent Directors mentioned in Schedule IV of the Act. In the opinion of the Board, the independent directors of the Company fulfill the conditions specified under the SEBI LODR and are independent of the management. None of the directors of the Company are related to each other or to any Key Managerial Personnel of the Company. The Company is in compliance with the provisions of the Act and the SEBI LODR with regard to composition of its Board and the Committees thereof. The Independent Directors of the Company have obtained lifetime registration with the Indian Institute of Corporate Affairs.

As on December 31, 2021, none of the Directors and/or Key Managerial Personnel of the Company hold any shares/ convertible instruments in the Company except Mr Biswadip Gupta, the Chairman, who holds 3,749 equity shares in the Company.

Disclosures regarding appointment/re-appointment of the directors have been furnished in the Notice convening the 31st Annual General Meeting of the Company, which forms part of the Annual Report.

As required under Para C of Schedule V to the SEBI LODR, based on the latest disclosures received by the Company, the following are the number of other directorships and the names of the listed entities where the directors of the Company are also a director and the category of their directorships therein:

Name of the Director	No. of Directorships#	Directorships and its category in listed entities
Mr Biswadip Gupta	11	Vesuvius India Limited (ID) IFB Industries Limited (ID)
Mr Patrick Georges Felix Andre	1	Vesuvius India Limited (ID)
Mr Nitin Jain (From 16.03.2021)	1	Vesuvius India Limited (MD)
Mr Thiago da Costa Avelar	1	Vesuvius India Limited (ID)
Mr Henry James Knowles	1	Vesuvius India Limited (ID)
Miss Nayantara Palchoudhuri	8	Vesuvius India Limited (ID) Rossell India Limited (ID) Ludlow Jute & Specialities Limited (ID) Nicco Parks & Resorts Limited (ID) Titagarh Wagons Limited (ID)
Mr Subrata Roy (Up to 15.03.2021)	1	Vesuvius India Limited (MD)
Mr Sudipto Sarkar	5	Vesuvius India Limited (ID) EIH Associated Hotels Ltd (ID) EIH Limited (ID) Triveni Engineering and Industries Ltd (ID)

ID- Independent Director.

# Excludes memberships of the managing committee of various chambers/bodies, directorships in private limited companies, foreign companies, companies registered under Section 8 of the Act and alternate directorships.

None of the directors on the Board of the Company is a member of more than 10 committees or Chairperson of more than 5 committees, reckoned in accordance with Regulation 26 of the SEBI LODR. 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 17A of the SEBI LODR are not applicable.

The Board has devised a proper system to ensure compliance with the provisions of all applicable laws and periodically reviewed the compliance reports of all laws applicable to the Company and necessary steps were taken to ensure the compliance in letter and spirit.

The Board of Directors of the Company met 5 (five) times during the financial year 2021. At least one meeting of the Board was held every quarter and the time gap between any two consecutive board meetings did not exceed 120 days during the year 2021. The details of the Board Meetings are as follows:

Sl. No.	Date of Board Meetings	Board Strength (No. of Directors)	No. of Directors Present	No. of Independent Directors Present
1.	January 19, 2021	7	7	3
2.	February 25, 2021	7	7	3
3.	April 27, 2021	7	7	3
4.	August 12, 2021	7	7	3
5.	November 10, 2021	7	7	3

## ANNEXURE - I

# CORPORATE GOVERNANCE REPORT *(Contd.)*

### Core Skills / Expertise / Competencies available with the Board of Directors of the Company

In pursuance of Para C(2), Schedule V to the SEBI LODR, the Board of Directors of the Company has identified the following core skills/expertise/competencies that are desirable for the Company to function effectively in the context of the business of the Company and its sector and these core skills/expertise/competencies are available with the Board:

Refractory Business; Finance; Business Strategies in India and Abroad; Organizational Capacity Building; Succession Planning; Business Operations; Sales & Marketing; Technology; Legal Matters; Corporate Affairs; Company Secretarial Functions; Human Resources; Corporate Social Responsibility; Regulatory Affairs & Consultancy.

The Board of the Company comprises of qualified members who possess the required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. While all the Board members possess the skills identified, their area of core expertise is given below:

Name of the Director	Area of skills/expertise/competencies
Mr Biswadip Gupta	Refractory Business, and Finance
Mr Patrick Georges Felix Andre	Business Strategies in India and Abroad, Organizational Capacity Building, and Succession Planning
Mr Nitin Jain	Business Operations, Business Strategy, Sales & Marketing, and Technology
Mr Thiago da Costa Avelar	Refractory Business, Sales & Marketing, and Business Strategy
Mr Henry James Knowles	Legal Matters, Corporate Affairs, and Company Secretarial Functions
Miss Nayantara Palchoudhuri	Business Strategy, Human Resources, and Corporate Social Responsibility
Mr Sudipto Sarkar	Legal Matters, and Regulatory Affairs & Consultancy

### Board Training and Familiarisation Programme

In terms of Regulation 25 of the SEBI LODR, the Company is required to conduct various programmes for the Independent Directors of the Company to familiarise them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc.

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 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, has, through these meetings, interacted with the employees and senior executives of the Company.

### Independent Directors' Separate Meeting

The SEBI LODR and Schedule IV to the Act mandate the Independent Directors of the Company to hold at least one meeting in every financial year, without the attendance of non-independent directors and members of the management. During the financial year ended December 31, 2021, the Independent Directors met on December 14, 2021, inter alia, to review the performance of Non-Independent Directors & the Board as a whole, to review the performance of the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

### Code of Conduct

Regulation 17(5) of the SEBI LODR requires every listed company to have a Code of Conduct for its directors and senior management. Further, Schedule IV of the Act requires the appointment of Independent Director to be formalised through a letter of appointment, which shall set out the Code for Business Ethics that the Company expects its directors and employees to follow. The said Schedule also requires the Independent Directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

The Code of Conduct laid down by Vesuvius plc, UK, 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. 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 Nitin Jain, Managing Director, is given separately in the Annual Report.

### Board Committees

The Board has constituted various committees consisting of Executive and Non-Executive Directors of the Company to meet various mandatory requirements of the Act and the SEBI LODR as well to perform other critical functions. Currently, the Board has 6 (six) committees, viz.:

- a) Audit Committee
- b) Nomination and Remuneration Committee (NRC)
- c) Corporate Social Responsibility Committee (CSR Committee)
- d) Stakeholders' Relationship Committee (SRC)  
(Formerly, Share Transfer and Stakeholders Grievance & Relationship Committee)
- e) Risk Management Committee (RMC)
- f) Board Management Committee (BMC)

The Company Secretary acts as the Secretary to all the Committees of the Board, except the CSR Committee. Rajeev Chalana acts as the Secretary of the CSR Committee. The composition, terms of reference, attendance and other details of these Committees are mentioned later in this Report.

## 3. AUDIT COMMITTEE

**Constitution and Composition:** The Audit Committee was constituted on October 24, 2000. The Audit Committee as on December 31, 2021, consists of four members consisting of 3 (three) Independent Directors and 1 (one) Non-Executive Non-Independent Director, namely, Mr Biswadip Gupta, as Chairman and Mr Thiago da Costa Avelar, Miss Nayantara Palchoudhuri and Mr Sudipto Sarkar as members.

The Managing Director and Chief Financial Officer attended as invitees in all the meetings of the Audit Committee. The Company Secretary is the Secretary of the Audit Committee. All Directors are financially literate, and Mr Biswadip Gupta has 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. The Cost Auditors were also invited whenever the Cost Audit related matters were considered. The minutes of the Audit Committee meetings were circulated to the Board, discussed and taken note of. All recommendations made by the Audit Committee during the year were accepted by the Board.

**Terms of Reference:** The terms of reference of the Audit Committee cover all the areas mentioned under Section 177 of the Act and Regulation 18 read with Part C of Schedule II of the SEBI LODR. The Board has also included in the terms of reference of the Audit Committee the monitoring, implementing and review of risk management plan and decisions taken by the Risk Management Committee constituted under Regulation 21 of the SEBI LODR. 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, if any, reviewing approval and disclosure of all related party transactions, reviewing with the management the performance of the statutory and internal auditors and their remuneration in compliance with the Act, the SEBI LODR, 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.

## ANNEXURE - I

# CORPORATE GOVERNANCE REPORT *(Contd.)*

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

**Attendance:** During the financial year ended on December 31, 2021, 4 (four) meetings of the Audit Committee were held on February 25, 2021; April 27, 2021; August 12, 2021, and November 10, 2021. The composition and attendance of the Members of the Audit Committee are as follows:

Name of Director	Position	Category	No. of Meetings		
			Held	Eligible to attend	Attended
Mr Biswadip Gupta	Chairman	Independent Director	4	4	4
Mr Thiago da Costa Avelar	Member	Non-Executive Non-Independent	4	4	4
Miss Nayantara Palchoudhuri	Member	Independent Director	4	4	4
Mr Sudipto Sarkar	Member	Independent Director	4	4	4

#### 4. NOMINATION AND REMUNERATION COMMITTEE

**Constitution and Composition:** The Nomination and Remuneration Committee (NRC) was constituted on April 29, 2014, in compliance with the provisions of Section 178 of the Act and the earlier Clause 49(IV) of the revised Listing Agreement with Stock Exchanges [now Regulation 19 of the SEBI LODR]. The NRC as on December 31, 2021, consists of 3 (three) Independent Directors and 1 (one) Non-Executive Director. Mr Sudipto Sarkar is the Chairman of the Committee and other members are Mr Biswadip Gupta, Mr Patrick Andre and Miss Nayantara Palchoudhuri.

**Terms of Reference:** The terms of reference of the NRC cover all the areas mentioned under Section 178 of the Act and Regulation 19 of the SEBI LODR. The broad terms of reference of the NRC, inter alia, include, recommending and reviewing the policy relating to remuneration and terms of employment of managing/ 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 Act, compliance with the Company's Code of Conduct by Directors and employees of the Company, reporting non-compliance 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 forms part of the Boards Report to Shareholders and any other matters which the Board of Directors may direct from time to time.

**Attendance:** During the financial year ended on December 31, 2021, 3 (three) meetings of the NRC were held on January 19, 2021; February 25, 2021, and April 27, 2021. The composition and attendance of the Members of the NRC are as under:

Name of Director	Position	Category	No. of Meetings		
			Held	Eligible to attend	Attended
Mr Sudipto Sarkar	Chairman	Independent Director	3	3	3
Mr Biswadip Gupta	Member	Independent Director	3	3	3
Mr Patrick Andre	Member	Non-Executive Non-Independent	3	3	3
Miss Nayantara Palchoudhuri	Member	Independent Director	3	3	3

The Managing Director of the Company attended all meetings of the NRC as an invitee.

**Performance Evaluation of Directors:** Pursuant to Section 178 of the Act and the SEBI LODR, the NRC adopted the evaluation criteria for the Board evaluation process as prescribed under the Guidance Note issued by the Institute of Company Secretaries of India and SEBI vide its Circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017. The evaluation for the year 2021 was carried out through structured questionnaires based on said the criteria. The NRC and the Board expressed their satisfaction with the evaluation process and the result thereof.



The performance evaluation of the Board, its Chairman and the Non-Independent Directors were carried out by the Independent Directors at their separate meeting held on December 14, 2021 and, as intimated, were found satisfactory and there was transparent information flow from the management.

**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.in](http://www.vesuviusindia.in) under heading “Investor information”.

## 5. REMUNERATION TO DIRECTORS

The Non-executive Independent 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.

The details of remuneration of Non-executive Directors including the sitting fee for attending meetings of the Board and Committees for the financial year ended on December 31, 2021, are given below:

Name of Director	Sitting Fees Rs.	Commission Rs.	Total Rs.
Mr Biswadip Gupta	37,50,000	27,00,000	64,50,000
Mr Patrick Andre	Nil	Nil	Nil
Mr Thiago da Costa Avelar	Nil	Nil	Nil
Mr Henry James Knowles	Nil	Nil	Nil
Miss Nayantara Palchoudhuri	13,50,000	24,00,000	37,50,000
Mr Sudipto Sarkar	13,50,000	24,00,000	37,50,000

The commission relates to the financial year ended December 31, 2021 and shall be paid after the Board meeting has been held for approving the Annual Audited Financial Statement of the Company the financial year ended December 31, 2021. Sitting Fees and Commission are net off GST. None of the Non-Executive Directors are entitled to any stock options scheme in the Company. Other terms and conditions of appointment of the Non-Executive Directors including criteria for making payments have been disclosed on the website of the Company.

Total Remuneration paid to Managing Director, for the year ended on December 31, 2021 is given below:

Name of the Director	Salary & Allowances (Rs.)	Perquisites (Rs.)	Contribution to Retirement Funds	Total (Rs.)	Service Contract / Notice period
Mr Nitin Jain <sup>^</sup>	1,72,92,127	13,27,146	18,89,330	2,05,08,603	Term of office valid upto 15.03.2026. Liable to retire by rotation.
Mr Subrata Roy <sup>@</sup>	52,48,494	3,14,377	3,18,047	58,80,918	Resigned with effect from 15.03.2021

<sup>^</sup> From March 16, 2021 to December 31, 2021

<sup>@</sup> From January 1, 2021 to March 15, 2021

Mr Nitin Jain was appointed as the Managing Director of the Company for a period of 5 (five) years effective from March 16, 2021. His notice period is 3 (three) months. There is no separate provision for payment of severance fees in the Contract. He is entitled to the Stock Option Scheme of Vesuvius plc, the ultimate holding company.

Mr Subrata Roy was a Managing Director for an interim period from August 19, 2020 to March 15, 2021, due to the casual vacancy caused by the sudden demise of Mr Ritesh Dungarwal.

## ANNEXURE - I

# CORPORATE GOVERNANCE REPORT *(Contd.)*

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 Act, a Corporate Social Responsibility Committee (CSR Committee) was constituted on April 29, 2014. During the year the Board of Directors of the Company has reconstituted the CSR Committee by inducting Mr Nitin Jain as a member of the Committee in place of Mr Subrata Roy with effect from March 16, 2021. Mr Jain was apprised about the terms of reference as well as his role in the Committee. The Members of the CSR Committee as on December 31, 2021 are Mr Biswadip Gupta, Mr Henry James Knowles, Miss Nayantara Palchoudhuri, Mr Nitin Jain and Mr Sudipto Sarkar. Mr Biswadip Gupta is the Chairman of the CSR Committee.

The terms of reference of the Committee are in conformity with the requirements of Section 135 of the Act and the Rules made thereunder. Corporate Social Responsibility Policy is available on the Company's website [www.vesuviushindia.in](http://www.vesuviushindia.in). The Committee met only once during the year on February 25, 2021. The Annual CSR Report is attached separately to the Board's Report.

The composition and attendance of the members of the CSR Committee are given below:

Name of Director	Position	Category	No. of Meetings		
			Held	Eligible to attend	Attended
Mr Biswadip Gupta	Chairman	Independent Director	1	1	1
Mr Nitin Jain (from 16.03.2021)	Member	Managing Director	1	NA	NA
Mr Henry James Knowles	Member	Non-Executive Non-Independent	1	1	1
Mr Sudipto Sarkar	Member	Independent Director	1	1	1
Miss Nayantara Palchoudhuri	Member	Independent Director	1	1	1
Mr Subrata Roy (upto 15.03.2021)	Member	Managing Director	1	1	1

### 7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has a Stakeholders' Relationship Committee (SRC) (formerly known as, Share Transfer and Stakeholders Grievance & Relationship Committee) in accordance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI LODR. The Committee considers and resolves grievances of the security holders of the Company and oversees all matters stipulated in Para B, Part of D of Schedule II to the SEBI LODR, inter alia, redressal of shareholders' grievances in relation to shares, non-receipt of the annual report, non-receipt of declared dividend, etc. During the year the Board of Directors of the Company has reconstituted the SRC by inducting Mr Nitin Jain as a member of the Committee in place of Mr Subrata Roy, with effect from March 16, 2021. Mr Jain was apprised about the terms of reference as well as his role in the Committee. During the year ended December 31, 2021, 1 (One) SRC meeting was held on April 27, 2021. The composition and attendance of the members of the SRC are as follows:

Name of Director	Position	Category	No. of Meetings		
			Held	Eligible to attend	Attended
Mr Biswadip Gupta	Chairman	Independent Director	1	1	1
Mr Nitin Jain (from 16.03.2021)	Member	Managing Director	1	1	1
Mr Henry James Knowles	Member	Non-Executive Non-Independent	1	1	1
Miss Nayantara Palchoudhuri	Member	Independent Director	1	1	1
Mr Subrata Roy (upto 15.03.2021)	Member	Managing Director	1	NA	NA

**Compliance Officer:** Mr Vikram Singh, Company Secretary of the Company is also Compliance Officer.

**Details of Shareholders' complaints:**

No. of complaints remaining unresolved as on 01.01.2021	:	Nil
No. of complaints received during the year	:	1
No. of complaints resolved during the year	:	1
No. of complaints unresolved as on 31.12.2021	:	Nil

The Company supports SCORES by using it as a platform for communication between SEBI and the Company. There are no pending complaints on the SCORES platform.

**Details of Shares dematerialized / rematerialized during the year 2021:**

No. of shares dematerialized with NSDL	:	24903
No. of shares dematerialized with CDSL	:	2510
No. of shares rematerialized	:	1

## 8. RISK MANAGEMENT COMMITTEE

In compliance with Regulation 21 of the SEBI LODR, the Board of Directors of the Company has constituted Risk Management Committee (RMC) effective from April 25, 2019, to review the Risk Management Policy, the effectiveness and adequacy of the Risk Management Systems of the Company, including cyber security, etc. During the year the Board of Directors of the Company has reconstituted the RMC by inducting Mr Nitin Jain as a member of the Committee with effect from March 16, 2021. Mr Jain was apprised about the terms of reference as well as his role in the Committee.

Pursuant to the recent amendments in the SEBI LODR, the Board of Directors of the Company at their meeting held on August 12, 2021 had revised the terms of reference of the RMC which, inter alia, include formulation of a detailed risk management policy which shall include (a) framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee, (b) measures for risk mitigation including systems and processes for internal control of identified risks, (c) business continuity plan and other functions specified in Para C Part D of Schedule II to the SEBI LODR.

The RMC consists of Directors and Senior Management Personnel of the Company. During the financial year ended on December 31, 2021, 3 (three) meetings of the RMC were held on February 25, 2021, August 12, 2021, and November 10, 2021. The composition and attendance of the members of the RMC are as follows:

Name of Member	Position	Category / Designation	No. of Meetings		
			Held	Eligible to attend	Attended
Mr Biswadip Gupta	Chairman	Independent Director	3	3	3
Mr Nitin Jain (from 16.03.2021)	Member	Managing Director	3	2	2
Mr Henry James Knowles	Member	Non-Executive Non-Independent	3	3	3
Mr Sudipto Sarkar	Member	Independent Director	3	3	3
Mr Subrata Roy	Member	Senior Management Personnel	3	3	3
Mr Sivasis Salilkumar Sen	Member	Chief Financial Officer	3	3	3
Mr Vikram Singh	Member	Company Secretary	3	3	3

The updated Risk Management Policy of the Company is available on the Company's website [www.vesuviusindia.in](http://www.vesuviusindia.in).

## ANNEXURE - I

# CORPORATE GOVERNANCE REPORT *(Contd.)*

### 9. BOARD MANAGEMENT COMMITTEE

The Board Management Committee (BMC) was constituted on November 11, 2020, with the following terms of reference:

- To review the monthly financial performance indicators and, as required, report the same to the Board of Directors at the Board Meeting.
- To discuss the Quarterly Operating Reports from the Managing Director.
- To assess the culture, values, standards, and ethics of the Company, as approved by the Board.
- Any other matter as may be mandated by the Board from time to time.

During the year the Board of Directors of the Company has reconstituted the BMC by inducting Mr Nitin Jain as a member of the Committee in place of Mr Subrata Roy with effect from March 16, 2021. Mr Jain was apprised about the terms of reference as well as his role in the Committee. The Committee as on December 31, 2021, consists of two members only, Mr Biswadip Gupta, Chairman and Mr Nitin Jain, Managing Director of the Company. Meetings of the Committee would normally be held fortnightly and may also be held through video conference.

During the financial year ended on December 31, 2021, 24 (twenty-four) meetings of the Committee were held on January 19, 2021; January 27, 2021; February 11, 2021; February 17, 2021; March 12, 2021; March 17, 2021; April 9, 2021; April 30, 2021; May 14, 2021; May 28, 2021; June 14, 2021; June 28, 2021; July 14, 2021; July 28, 2021; August 12, 2021; August 23, 2021; September 8, 2021; September 24, 2021; October 18, 2021; October 29, 2021; November 22, 2021; November 29, 2021; December 17, 2021 and December 29, 2021.

The composition and attendance of the members of the Committee are as follows:

Name of Member	Position	Category / Designation	No. of Meetings		
			Held	Eligible to attend	Attended
Mr Biswadip Gupta	Chairman	Independent Director	24	24	24
Mr Nitin Jain (from 16.03.2021)	Member	Managing Director	24	19	19
Mr Subrata Roy (upto 15.03.2021)	Member	Managing Director	24	5	5

### 10. GENERAL BODY MEETINGS

Particulars of last three Annual General Meetings are given below:

Financial Year	Date	Location	Time	Special Resolution passed
31.12.2018	25.04.2019	G D Birla Sabhaghar, 29 Ashutosh Chowdhury Avenue, Kolkata 700019	10:30 A.M.	Reappointment of Mr Sudipto Sarkar (DIN: 00048279), as an Independent Director of the Company for a second term of five consecutive years with effect from April 29, 2019.
31.12.2019	25.09.2020	Video Conferencing	2.00 P.M.	1. Reappointment of Mr Biswadip Gupta (DIN: 00048258), as an Independent Director of the Company for a second term of five consecutive years with effect from September 25, 2020.  2. Reappointment of Miss Nayantara Palchoudhuri (DIN: 00581440), as an Independent Director of the Company for a second term of five consecutive years with effect from September 25, 2020.
31.12.2020	27.04.2021	Video Conferencing	12:00 Noon	None

**Details of Special Resolution passed through Postal Ballot:**

During the financial year ended December 31, 2021, no special resolution was passed through postal ballot.

No special resolution was passed through a ballot at the last AGM and no special resolution is proposed to be conducted through postal ballot.

**11. MEANS OF COMMUNICATION**

The quick and full format of the quarterly results were filed with the Stock Exchanges on NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (the Listing Centre) and were available on the Stock Exchange websites, [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com). Quarterly results are also 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 are also uploaded on the Company's website [www.vesuviusindia.in](http://www.vesuviusindia.in).

Apart from electronic copies of the Annual Report and Notices of the Annual General Meeting / Postal Ballot (if any), etc., the Company sends quarterly results to all Members whose emails are registered with the Company or the Depository Participants.

The website of the Company, [www.vesuviusindia.in](http://www.vesuviusindia.in) provides ease of access to the required information to all the stakeholders. The Company 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 carries a comprehensive database of information of interest to the investors including the financial results of the Company, the dividend declared, unclaimed dividend list, shareholding pattern, any price sensitive information disclosed to the regulatory authorities from time to time by the Company.

The Company sends intimation to all concerned Shareholders in January / February of each year by ordinary post informing them that their dividends 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 have also been issued to the concerned Shareholders and an appropriate advertisement is given at least three months before the due date of transfer to the Demat Account of the IEPF Authority of ofshares, in respect of which dividend remains unclaimed for a period of 7 (seven) consecutive years.

**Address for communication:** All communication, service requests, queries, such as, change of address, bank mandates, nominations, etc. should be addressed to the Registrar 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](mailto:rta@cbmsl.com), [ranarc@cbmsl.co](mailto:ranarc@cbmsl.co) **Website:** [www.cbmsl.com](http://www.cbmsl.com)

Service requests/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](mailto:vesuviusindia@vesuvius.com).

Shareholders are encouraged to correspond with the Registrar & Share Transfer Agents and the Company via email to speed up response, reduce paperwork and 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 a 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 Registrar. Email ID of Shareholders will have to be registered with the Company or with Depositories to enable the Company or the Registrar to communicate electronically.

As per SEBI Circular dated November 03, 2021, it is mandatory for the shareholders holding shares in physical form to furnish PAN, KYC details and Nomination to the RTA of the Company. In case of failure to provide required documents and details as per the aforesaid Circular, all folios of such shareholders shall be frozen on or after April 01, 2023 by the RTA. Further, no request for change of address, bank mandates, email, mobile, etc. will be addressed by our RTA unless a service request is made in the prescribed form as mentioned in the aforesaid SEBI circular. A copy of such forms can be downloaded from the website of the Company at [www.vesuviusindia.in](http://www.vesuviusindia.in) or of our RTA at [www.cbmsl.com](http://www.cbmsl.com).

## ANNEXURE - I

# CORPORATE GOVERNANCE REPORT *(Contd.)*

### 12. GENERAL SHAREHOLDER INFORMATION

#### Date, time & venue of the Annual General Meeting:

Financial Year	Day & Date	Venue	Time
2021	Friday, May 6, 2022	Through video conferencing (VC) or other audio visual means (OAVM)	1:30 P.M. (IST)

The deemed venue of the AGM would be the Registered Office of the Company at P-104 Taratala Road, Kolkata 700088.

#### Record Date and Cut Off Date:

Record Date and Cut Off Date is April 29, 2021, for determining members who will be entitled to receive dividend to be declared at the ensuing AGM of the Company and will also be entitled to avail the facility of remote e-voting as well as e-voting at the ensuing AGM.

#### Electronic Voting:

Pursuant to Section 108 and other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI LODR, and all other notifications/circulars as may be applicable, voting at the ensuing AGM will be made through electronic voting.

#### Financial Year:

The financial year of the Company commenced on January 1, 2021 and ended on December 31, 2021.

In terms of section 2(41) of the Act, then (Hon'ble) 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.

#### Calendar of the financial year ending on December 31, 2022 (Tentative)

Results for the quarter ending March 31, 2022	– 1st week of May 2022
Results for the quarter ending June 30, 2022	– 2nd week of August 2022
Results for the quarter ending September 30, 2022	– 2nd week of November 2022
Results for the quarter ending December 31, 2022	– 4th week of February 2023

#### Dividend payment date:

Dividend at the rate of Rs. 8/- (Rupees Eight only) per Equity Share of Rs. 10/- (Rupees Ten only) each fully paid-up of the Company has been recommended by the Board of Directors for the financial year ended on December 31, 2021, subject to the approval of the Members at the ensuing AGM. The dividend if declared will be deposited in a separate bank account within May 11, 2022 and will be paid within May 20, 2022 to those who are members as on the Record Date, as stated above.

#### Details of Listing of Equity Shares and Stock Code:

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

For dematerialisation of Equity Shares of the Company of the Face Value Rs. 10/- each, the ISIN No. allotted to the Company is **INE386A01015**.

#### Listing Fees

The annual listing fee for the year 2021 has been paid to each of the above-named stock exchanges. All requirements of the stock exchanges where the shares of the Company are listed, including submission of quarterly reports and certificates, etc. have been complied with.

**Depositories**

National Securities Depository Ltd. Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	Central Depository Services (India) Ltd. Marathon Futurex, A-Wing, 25th Floor, NM Joshi Marg, Lower Parel, Mumbai - 400013
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**Market Price Data (Face value of Rs. 10 each):**

NSE and BSE market price during the financial year ended on December 31, 2021

NSE			Months	BSE		
Volume	High (Rs.)	Low (Rs.)		High (Rs.)	Low (Rs.)	Volume
3,48,489	1200.00	1018.45	January, 2021	1187.05	1017.50	10,931
3,81,221	1140.70	999.95	February, 2021	1140.00	1001.85	44,285
1,76,830	1085.00	902.10	March, 2021	1074.50	903.50	73,500
2,72,826	1097.00	954.00	April, 2021	1097.30	954.75	19,347
2,07,015	1089.00	1001.00	May, 2021	1086.20	995.00	20,469
7,72,502	1171.95	995.15	June, 2021	1171.00	988.95	51,309
7,69,894	1364.00	1105.00	July, 2021	1362.00	1106.65	2,55,421
4,88,828	1357.90	1099.30	August, 2021	1350.90	1100.00	60,595
1,85,540	1237.70	1116.00	September, 2021	1235.00	1116.30	14,792
1,63,459	1247.00	1070.00	October, 2021	1280.00	1075.00	32,366
5,21,275	1272.00	1065.05	November, 2021	1269.00	1065.60	1,32,763
1,31,182	1193.75	1060.00	December, 2021	1195.00	1058.30	10,477

**Stock Performance in comparison to broad-based indices**

Financial year	NSE CNX NIFTY		BSE SENSEX	
	Change in the share price of the Company	Change in Nifty	Change in share price of the Company	Change in SENSEX
2021	-0.83%	24.12%	-0.87%	21.99%

**Registrar & Share Transfer Agents:**

The share management work, both physical and demat, is being handled by our Registrar and Share Transfer Agent, CB Management Services (P) Limited and their 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 **Website :** www.cbmsl.com

**Contact person -** Mr Rana Roy Choudhury

**Share Transfer and Transmission System:**

Pursuant to the amendment in the SEBI LODR and subsequent notification(s) issued by SEBI, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In this regard, SEBI had issued a Press Release clarifying that the said amendment does not prohibit an investor from holding shares in physical form. However, any investor who is desirous of transferring shares (which are held in physical form) can do so only after the shares are dematerialized. SEBI had fixed March 31, 2021, as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode only.

## ANNEXURE - I

# CORPORATE GOVERNANCE REPORT *(Contd.)*

In addition to that, as per the recent amendments to the SEBI LODR effective from January 24, 2022 and SEBI's Circular dated January 25, 2022, it has been mandated that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for (a) issue of duplicate securities certificate; (b) claim from Unclaimed Suspense Account; (c) Renewal / Exchange of securities certificate; (d) Endorsement; (e) Sub-division / Splitting of securities certificate; (f) Consolidation of securities certificates/folios; (h) Transmission, and (i) Transposition. In accordance with the said Circular, our RTA shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant. Such 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

### Distribution of shareholding as on December 31, 2021 :

Shares held	Number of Shareholders	Percentage	Number of Shares held	Percentage
1 – 500	14,512	94.81	11,54,777	5.69
501 – 1000	348	2.27	2,67,055	1.32
1001 – 5000	340	2.22	6,85,149	3.38
5001 – 10000	49	0.32	3,70,461	1.83
10001 and above	57	0.37	1,78,18,638	87.79
<b>Total</b>	<b>15,306</b>	<b>100.00</b>	<b>2,02,96,080</b>	<b>100.00</b>

### Dematerialisation of shares and Liquidity as on December 31, 2021:

Shares held	Number of Shareholders	Percentage	Number of Shares held	Percentage
Demat with CDSL	5,273	34.45	8,53,220	4.20
Demat with NSDL	8,391	54.82	1,92,10,048	94.65
In Physical mode	1,642	10.73	2,32,812	1.15
<b>Total</b>	<b>15,306</b>	<b>100.00</b>	<b>2,02,96,080</b>	<b>100.00</b>

### Shareholding pattern as on December 31, 2021:

Particulars	Number of Shares held	Percentage
Vesuvius Group Limited, U.K.	1,12,77,650	55.57
Non-Resident Indians	72,943	0.36
Alternative Investment Fund	52,354	0.26
Foreign Portfolio Investors	1,32,129	0.65
Nationalised & other Banks	500	0.00
Mutual Funds	50,56,658	24.91
Bodies Corporate	5,65,022	2.78
LLP	39,337	0.19
Individuals & Others	30,38,653	14.97
Investor Education & Protection Fund	59,183	0.29
Clearing member with Depositories	1,651	0.01
<b>Total</b>	<b>2,02,96,080</b>	<b>100.00</b>

No pledge has been created over the Equity Shares held by the Promoters as on December 31, 2021.



**Status of Unpaid Dividend**

Dividend for the financial year	Amount of dividend	Amount of unpaid dividend as at 31.12.2021	Due date of transfer to IEPF
2014	1,217.76	5.14	June 8, 2022
2015	1,268.51	9.51	June 5, 2023
2016	1,319.25	9.82	June 8, 2024
2017	1,369.99	7.63	May 10, 2025
2018	1,420.73	7.31	May 24, 2026
2019	1,420.73	7.21	October 24, 2027
2020	1,420.73	8.91	May 26, 2028

**Unclaimed Dividends/Shares Transferred to IEPF under section 124 and 125 of the Companies Act, 2013:**

In terms of the provisions of Section 125 of the Act, read with Rules made thereunder, other applicable rules, notifications, and circulars, if any, the 20th Anniversary Special Dividend (being the interim dividend for the financial year ended on December 31, 2014) declared at the Board Meeting held on February 25, 2014, and the dividend for the financial year ended December 31, 2013, declared at the 23rd Annual General Meeting of the Company held on April 29, 2014, which remained unclaimed for 7 (seven) consecutive years, amounting to Rs. 150,193/- and Rs. 3,53,506/-, respectively, had been transferred to the IEPF account of the Central Government in the month of April and June 2021.

In compliance with the said provisions, before transferring such dividends to the IEPF Account, individual notices had been sent to the concerned shareholders by registered post on January 28, 2021, as well as an advertisement had also been published in the newspapers on February 3, 2021, and they were requested to encash their unclaimed dividends on or before March 10, 2021, and May 10, 2021, respectively.

Adhering to the aforesaid provisions, the Company had transferred the shares, in respect of which dividends remained unclaimed for a period of 7 (seven) consecutive years or more as on the due date of transfer, to the IEPF Demat Account. Before transferring such shares to the IEPF Demat Account, the Company had sent individual notices to the concerned shareholders through registered post on January 28, 2021, wherein such shareholders were requested to encash their unclaimed dividends failing which would result in the transfer of their shares into IEPF Demat Account. An advertisement had also been published in the newspapers on February 3, 2021, in this regard.

**How to claim dividend/shares transferred to IEPF in 2021:**

The members who have a claim on the above dividends and shares may claim the same from the IEPF Authority by submitting an online application in web Form No. IEPF-5 which is available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and by sending a physical copy of the same, duly signed by them to the Company, along with requisite documents enumerated in the Form IEPF-5.

Details of dividends/shares so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in). Such details are also available on the website of the Company at [www.vesuviusindia.in](http://www.vesuviusindia.in).

**Unclaimed dividend/shares to be transferred to IEPF in 2022:**

In terms of the aforesaid provisions, the Company is required to transfer the unpaid dividend amounts, which remained unclaimed for 7 (seven) years from the date of transfer of such amounts to Unpaid/Unclaimed Dividend Account to Investor Education and Protection Fund (IEPF) Account. In compliance with the same, the Company shall transfer the dividend declared at the 24th Annual General Meeting of the Company held on May 7, 2015, to the Investor Education and Protection Fund ("IEPF") of the Central Government on June 8, 2022. The concerned shareholders are requested claim their dividend on or before May 20, 2022. Further, the shares, in respect of which dividend remains unclaimed for a period of 7 (seven) consecutive years shall also be transferred to the Demat Account of the IEPF Authority ("the IEPF Demat Account"). Members are requested to lodge their claims with our RTA, CB Management immediately. Individual reminder letters have been sent to the concerned shareholders by registered post on February 3, 2022, and newspaper notice has also been published in this regard.

## ANNEXURE - I

# CORPORATE GOVERNANCE REPORT *(Contd.)*

### Unclaimed Shares:

As on December 31, 2021 there were no shares of any shareholder lying unclaimed with the Company or lying in the suspense account. The disclosures required to be given under Regulation 34(3) read with Para F of Schedule V of the SEBI LODR are therefore not applicable.

### Factory/Plant Location:

<b>Location</b>	<b>Product Range</b>
<b>Kolkata Factory</b> P-104, Taratala Road Kolkata 700 088	» Monoblock Stoppers » Ladle Shrouds » Sub-entry Nozzles » Tundish Nozzles » Sub-entry Shrouds » Purge Plugs » Slide Gate plates » Collector Nozzles » Slide Gate machines and machine parts assembly
<b>Visakhapatnam Factories</b> <b>First Factory:</b> Plot No. 13, 14 & 15, Block "E"IDA Autonagar, Visakhapatnam 530 012  <b>Second Factory:</b> Survey No 90 & 98, Part, Block G, Industrial Park, Fakirtakya Village, Autonagar, Visakhapatnam 530 012	» Gunning & Shortcrete refractory » Insulating Castables » Conventional castables » Self-flow castables » Ultra low cement & low cement castables » Mortars » No cement castables  » Precast shapes » Taphole clay
<b>Mehsana Factory</b> 212/B, G.I.D.C Estate Mehsana 384 002, Gujarat	» Crucibles

### Investors' Correspondence:

Company Secretary  
 Vesuvius India Limited  
 P - 104, Taratala Road, Kolkata - 700088  
 Tel: 033 6109 0500

The Company has designated [vesuviusindia@vesuvius.com](mailto:vesuviusindia@vesuvius.com) (email id) exclusively for the purpose of registering complaints by investors.

## 13. DISCLOSURES

- The Company does not have any materially significant related party transaction, which may have potential conflict with the interests of the Company at large. All the transactions with related parties are in the ordinary course of business and at arm's length basis and have been disclosed separately in the Notes to the Financial Statements. The Related Party Policy is available on the Company's website [www.vesuviusindia.in](http://www.vesuviusindia.in).
- There were no instances of non-compliance by the Company related to capital markets during the year under review and no penalties or strictures were 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.
- 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.in](http://www.vesuviusindia.in). Adequate safeguards have been provided against the 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 person has been denied access to the Audit Committee to lodge their grievances.
- The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) (the Rules). All the Ind AS issued and notified by the Ministry of Corporate Affairs till the date of the financial statements have been considered in preparing these financial statements.
- The Company has appropriately complied with all mandatory requirements under the SEBI LODR. The Company has also complied with the non-mandatory (discretionary) requirements under the SEBI LODR 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.

- f. The Company doesn't have any subsidiary company and therefore corresponding disclosures including framing of policy on 'material' subsidiary has not been made.
- g. The Company has laid down a Risk Management Framework which is in consonance with the Risk Management Policy of the Company for assessment and minimisation of risk and the same are periodically reviewed by the Risk Management Committee of the Board. The Risk Management Policy is available on the website of the Company [www.vesuviusindia.in](http://www.vesuviusindia.in).

Further, the Company has adequate internal control systems to identify risks at the appropriate time and to ensure that the executive management controls the risk through a properly defined framework. The company's products are not in the nature of commodity and hence there is no commodity price risk.

- h. There have been no public issues, rights issues, preferential allotment or qualified institutional placement 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.
- i. A certificate has been obtained from Anjan Kumar Roy & Co., Company Secretaries confirming that none of the Directors of the Company have been debarred or disqualified by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as directors of the Company and the same forms part of the Annual Report.
- j. All recommendations made by the Committees of the Board during the year were accepted by the Board. During the financial year ended December 31, 2021, there was no such instance wherein the Board had not accepted any recommendation of any committee of the Board.
- k. Details of total fees for all services paid by the Company on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditors are a part, given below:

Financial Year ended December 31, 2021	Amount (in Lakhs)
As auditors:	
Statutory Audit	27.00
Limited review of quarterly results	11.00
In other capacity:	
Group reporting	14.00
Audit of tax accounts	12.00
Reimbursement of expenses	1.00
<b>Total</b>	<b>65.00</b>

- l. The disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are mentioned in the Report of the Directors.
- m. In terms of the SEBI LODR, the Management Discussion and Analysis Report forms part of the Annual Report. Details of significant changes in key financial ratios, along with detailed explanations thereof (including details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof) have been adequately covered under the Management Discussion and Analysis Report.
- n. No presentations were made to institutional investors and analysts during the year.
- o. The Company has duly complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI LODR.
- p. The CEO & CFO Certification for the financial year ended December 31, 2021, forms part of the Annual Report.
- q. 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 24, 2022

## ANNEXURE - II

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

COMPANY SECRETARIES

A Peer Reviewed Firm

**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 **M/s. Vesuvius India Limited (CIN: L26933WB1991PLC052963)**, having its registered office at P-104, Taratala Road, Kolkata - 700 088 (here in after referred as “**the Company**”) during the Financial Year ended December 31, 2021, pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 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: F005684C002674152

Peer Review Certificate No.: 869/2020

Place : Kolkata  
Date : February 24, 2022

## ANNEXURE - III

**CERTIFICATE UNDER SCHEDULE V OF THE SEBI LODR****ANJAN KUMAR ROY & CO.****COMPANY SECRETARIES****A Peer Reviewed Firm****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS****[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

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

We have examined the relevant registers, records, forms, returns and disclosures from the Directors of Vesuvius India Limited having CIN L26933WB1991PLC052968 and having registered office at P-104, Taratala Road, Kolkata - 700088 (here in after referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on December 31, 2021 have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and exchange Board of India or Ministry of Corporate Affairs or any such statutory authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Biswadip Gupta	00048258	September 07, 1991
2	Mr. Sudipto Sarkar	00048279	July 26,2005
3	Ms. Nayantara Palchoudhuri	00581440	March 27, 2015
4	Mr. Patrick Georges Felix Andre	07619754	August 08,2016
5	Mr. Thiago Da Costa Avelar	08697241	February 21, 2020
6	Mr. Henry James Knowles	08751453	June 03, 2020
7	Mr. Nitin Jain	07934566	March 16, 2021

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to future viability of the Company nor of the efficiency 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: F005684C002674229

Peer Review Certificate No.: 869/2020

Place : Kolkata

Date : February 24, 2022

Office Address : GR 1, Gouri Bhaban, 28A Gurupada Halder Road, Kolkata - 700 026.

E-mail: akroyco@yahoo.co.in, anjanroy\_2003@yahoo.co.in | Mobile Ph. Nos. 9830201949/9831891949.

## ANNEXURE - IV

**CERTIFICATION BY MANAGING DIRECTOR AND  
CHIEF FINANCIAL OFFICER****CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER  
IN TERMS OF REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND  
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Vesuvius India Limited ("the Company") to the best of our knowledge and belief, hereby certify that:

- A. We have reviewed the financial statements and cash flow statement for the year ended December 31, 2021 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
1. significant changes in internal control over financial reporting during the year, if any;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
  3. instances of significant fraud which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Kolkata  
Date : 24 February, 2022

Sivasis Sen  
Chief Financial Officer

Nitin Jain  
Managing Director  
(DIN: 07934566)

## ANNEXURE - V

**MANAGING DIRECTOR'S CERTIFICATE ON  
COMPLIANCE WITH CODE OF CONDUCT****DECLARATION UNDER REGULATION 34(3)  
READ WITH PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS  
AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015****DECLARATION**

Vesuvius India Limited ("the Company") has adopted the Code of Conduct for its Board Members and Senior Management Personnel and the same is available on the website of the Company.

Pursuant to Regulation 34(3) read with Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared that all Members of the Board of Directors 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, 2021.

Place : Kolkata  
Date : February 24, 2022

Nitin Jain  
**Managing Director**  
(DIN: 07934566)  
Vesuvius India Limited

ANNEXURE - VI  
**SECRETARIAL AUDIT REPORT**

**ANJAN KUMAR ROY & CO.**  
**COMPANY SECRETARIES**  
A Peer Reviewed Firm

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2021**

[Pursuant to Section 204 of Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

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** (here in after to be referred as the “**Company**”) for and during the financial year ended December 31, 2021 (herein after to be referred as “**audit period**”). Secretarial Audit was conducted on test check basis, in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.
2. On the basis of verification of the secretarial compliance and on the basis of secretarial audit of Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company, as provided to us during the said audit by the Company, its officers, agents and authorized representatives, we hereby report that in our opinion and to the best of our understanding, the Company, during the audit period has complied with the statutory provisions listed hereunder and also the Company has adequate Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
3. We further report that compliance with applicable laws is the responsibility of the Company and our report constitutes an independent opinion. Our report is neither an assurance for future viability of the Company nor a confirmation of efficient management by the Company.
4. (I) We have examined the records, minute books, documents, forms and returns filed and other records maintained by the Company for and during the financial year ended on December 31, 2021 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, 2018; -Not Applicable during the audit period.
    - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;



- e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;- Not Applicable during the audit period.
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not Applicable during the audit period.
- g) 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;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - Not Applicable during the audit period.
- i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; - Not Applicable during the audit period.

(II) We have also examined the secretarial compliance on test check basis of the records maintained by the Company for the financial year ended on December 31, 2021, with the provisions of the following laws specifically applicable to the Company and as shown to us during our audit;

- a) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- b) The Environment Protection Act, 1986
- c) The Public Liability Insurance Act, 1991, and
- d) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

5. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India under Section 118 of the Companies Act, 2013.
6. We have checked the compliance with the provisions of the Standard Listing Agreement entered by the Company with National Stock Exchange of India Limited and BSE Limited, the Stock Exchanges in India and also with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable during the audit period and to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the secretarial functions and board processes to comply with the applicable provisions thereof, during the aforesaid audit period.
7. That on the basis of the audit as referred above, to the best of our knowledge, understanding and belief, we are of the view that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above in Paragraph 4(I), Paragraph 4(II), Paragraph 5 and Paragraph 6 of this report;
8. We further report that,
  - a) 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 audit period were carried out in compliance with the provisions of the Companies Act, 2013.
  - b) Adequate notices are given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance.
  - c) Majority decision is carried through 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, generally applicable to Company.
10. This report is to be read with our letter of even date which is annexed as **Annexure A**, forming an integral part of this report.

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

**ANJAN KUMAR ROY**  
Proprietor

FCS No. 5684  
CP. No. 4557

UDIN: F005684C002673800

Peer Review Certificate No.: 869/2020

Place : Kolkata

Date : February 24, 2022

Office Address : GR 1, Gouri Bhaban, 28A Gurupada Halder Road, Kolkata - 700 026.

E-mail: akroyco@yahoo.co.in, anjanroy\_2003@yahoo.co.in | Mobile Ph. Nos. 9830201949/9831891949.

ANNEXURE - VI  
**SECRETARIAL AUDIT REPORT** (Contd.)

**ANJAN KUMAR ROY & CO.**  
**COMPANY SECRETARIES**  
A Peer Reviewed Firm

**'Annexure A'**  
**(To the Secretarial Audit Report of M/s. Vesuvius India Limited  
for the financial year ended December 31, 2021)**

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

Our Secretarial Audit Report for the financial year ended 31st December, 2021 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. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation, 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: F005684C002673800

Peer Review Certificate No.: 869/2020

Place : Kolkata  
Date : February 24, 2022

## ANNEXURE - VII

**BUSINESS RESPONSIBILITY REPORT**

This Business Responsibility Report relating to the year ended on December 31, 2021, 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.in
5.	Email ID	:	vesuviusindia@vesuvius.com
6.	Financial Year reported	:	December 31, 2021
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 consist mainly of : a) Shaped Refractories like shrouds, stoppers, pre-cast products, nozzles, and crucibles. b) Unshaped Refractories like castables and taphole clay. c) 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 is in Kolkata, two in Visakhapatnam, and one in Mehsana.
10.	Markets served by the Company -Local/ State/ National/International	:	The Company supplies refractories & systems and also provides relevant maintenance services at major steel, ferrous & non-ferrous foundries, cement, iron ore pellet & aluminium plants in India. Exports of products are made to NAFTA, EMEA, South America, North & South East Asian countries, and Bangladesh.

**SECTION B : FINANCIAL DETAILS OF THE COMPANY**

1.	Paid up Capital	:	Rs 20,29,60,800
2.	Total Turnover	:	Rs 1,06,682 lakhs
3.	Total Profit after tax	:	Rs 6,805 lakhs
4.	Total Spending on Corporate Social Responsibility as a percentage of profit after Tax	:	3.38 % of PAT
5.	List of activities in which expenditure in (4) above has been incurred :		
	(a) Promoting health care including preventive healthcare		
	(b) Promoting Education		
	(c) Disaster management, including relief		
	(d) Contributions to development projects		
	(e) Empowering women		
	(f) Eradicating hunger, poverty		
	(g) Employment Enhancing vocation skills, especially among children		
	(h) Training to promote nationally recognized sports		
	(i) Swachh Bharat Kosh		

## ANNEXURE - VII

**BUSINESS RESPONSIBILITY REPORT** (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 Nitin Jain Managing Director DIN No: 07934566 Email ID: vesuviusindia@vesuvius.com Phone : +91 33 61090500
2.	Principle-wise (as per NVGs) BR Policy	:	(a) Details of Compliances: The Company follows the Vesuvius group-wide program on Business Responsibility and Sustainability. (b) Explain why there is no Policy: The Company follows the Vesuvius group-wide program on Business Responsibility and Sustainability. Additionally, the Company has Corporate Social Responsibility Policy, Quality Policy, Health Policy, Environment Policy, Anti-Corruption and Bribery Policy, Risk Management Policy, etc. 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 meeting, the Managing Director’s presentation includes elements of business responsibility reporting. (b) Does the company publish a BR or Sustainability Report ? : The Business Responsibility Report is published as part of the Board’s Report. Apart from that Vesuvius plc, our ultimate holding company, in their Annual Report has a separate section on Business Responsibility and Sustainability reporting for the entire group as a whole including Vesuvius India Limited.

**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, antibribery & corruption, etc. apply to the Company, its Directors, employees, and 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

<p>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)</p>	<p>a) Improved efficiency while reducing refractory consumption per ton of steel b) Technology and improved manufacturing processes ensure reduced energy consumption and thus Carbon footprint of our manufacturing processes. c) Reducing carbon dioxide emissions by steel plants d) Occupational Health and Safety programmes are in place to minimise risk to protect human resources covering all facets of business</p>
<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? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p>	<p>Approx. 2% reduction on specific energy consumption on all product manufacturing lines and 5% specific Co2 emission achieved over 2020 on the back of 25 lakhs investments done on energy-saving projects in 2021. We are committed to progressively increasing our focus on such kinds of projects in the coming years.</p>
<p>3. Does the company have procedures in place for sustainable sourcing (including transportation)?</p>	<p>Yes</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>More than 80% The company has a standing procedure of assessing all potential (and existing) vendors and rating them on various key indices, including sustainability, before sourcing input materials from them. Only the top-rated vendors are chosen for commercial consideration. The company is also continually working on eliminating hazardous materials from its inputs, use of recycled materials in its product formulations, and recyclable and returnable packaging.</p>
<p>4. Has the company taken any steps to procure goods and services from local &amp; 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>Local &amp; small producers form an integral part of our supply chain ecosystem. They are supported on their working capital with timely payments and their profitability with very reasonable pricing. These allow them to expand their capacity with an increase in our demand. They also get a regular push on their competency and quality through technical interactions and audits that help them improve continually.</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 &lt;5%, 5-10%, &gt;10%). Also, provide details thereof, in about 50 words or so.</p>	<p>&lt;5% recycling of products and waste: 3% Scrapped, broken, or partly used refractory products are also recycled to the extent permitted by the Quality Control team. &gt;10% recycling of products and waste: 100% of water is recycled for non-drinking use.</p>

## ANNEXURE - VII

**BUSINESS RESPONSIBILITY REPORT** (Contd.)**Principle 3 : Businesses should promote the wellbeing of all employees**

1. Please indicate the Total number of employees.	459 (Permanent Employees)
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.	1565
3. Please indicate the Number of permanent women employees.	8
4. Please indicate the Number of permanent employees with disabilities.	Nil
5. Do you have an employee association that is recognized by management.	Yes
6. What percentage of your permanent employees is members of this recognized employee association?	39%
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.	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 has been constituted to oversee the implementation of this Policy. No complaints were received during the year. However, POSH Committee suo moto took note of one purported POSH issue (no written complaint was received). No complaint is pending at the end of the financial year.

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 as no labour falls in such category	NIL
2.	Sexual harassment	NIL Note: The IC suo moto took note of one purported POSH issue (no written complaint was received which has been disposed of within 90 days).	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?	All employees have to undergo training on Safety, Ethics, Code of Conduct, Anti-Bribery & Anti – Corruption, and Prevention of Sexual Harassment. The Company has a training and development program in place for imparting appropriate training and skill up-gradation.
(a) Permanent Employees	
(b) Permanent Women Employees	
(c) Casual/ Temporary/Contractual Employees	
(d) Employees with Disabilities	

**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.	Regular audits and physical verifications of documents are conducted to ensure compliance by vendors to ensure that they have a sustainable business model to provide appropriate remuneration and social security benefits to their employees. All contractual employees are required to follow proper safety norms and ethical processes consistent with the Company's policies.

### 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 policy covers 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 were received during the year concerning human rights. |

### 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, transporters, and value chain partners.  |
| 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.                  | There is a very strong ongoing programme to reduce specific energy consumption and energy CO2 footprint. The India plants are currently putting large investments into solar power. The Company is participating in the strategies framed by the ultimate holding company i.e. Vesuvius plc. The global Sustainability function recently moved into the office of the Group CEO, underlining its importance and focus on it.  |
| 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 if filed? | In October 2020, Vesuvius Group, our holding company, became a signatory to the United Nations Global Compact. Goals are similar to the CDM as per Kyoto Protocol and a mechanism comparable to CER credits is in place. As mentioned earlier, the company is currently installing solar panels at its Kolkata and Vizag factories to replace significant portions of its power consumption with clean solar energy. There are also a fair number of energy-saving projects lined up, all of which will earn CER credits and use those for financial payback justification. |
| 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.                                    | As mentioned above  |
| 6. Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?  | Emissions / Waste generation are all significantly below CPCB / SPCB limits. Our standards are more stringent than the official ones. The results are regularly monitored, reported, and audited.   |
| 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, the Company is a member of the following trade and chamber or association:<br>1. Indian Refractory Makers Association (IRMA);<br>2. The Bengal Chamber of Commerce & Industry (BCCI);<br>3. Confederation of Indian Industry (CII);<br>4. Chemicals & Allied Products Export Promotion Council (CAPEXIL); and<br>5. Engineering Export Promotion Council of India (EEPC) |
|--|---|

## ANNEXURE - VII

**BUSINESS RESPONSIBILITY REPORT** (Contd.)

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. We participate whenever representations are made by the above associations for improvement in Governance and Administration, Economic Reforms, Inclusive Development Policies concerning the Refractory Industry. In the year 2021, representations were made to the Government through the aforesaid industrial bodies concerning the issue of High Alumina Cement imports.  One of the focus areas of the CSR Policy of the Company includes Hunger Eradication.
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**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 to support community development, inclusive growth, and equitable development. The Company engages local units for its MSME procurement.																				
2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/government structures/ any other organization?	So far projects undertaken are routed through a combination of an in-house team, external NGO, and other eligible institutions whereas regular monitoring is done by an in-house team.																				
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.	<p>The Company's direct contribution to various projects during the financial year 2021 has been as under:</p> <table border="1" data-bbox="829 1120 1436 1601"> <thead> <tr> <th>Projects</th> <th>Contribution (Rs. in Lakh)</th> </tr> </thead> <tbody> <tr> <td>Promoting health care including preventive healthcare</td> <td>72.06</td> </tr> <tr> <td>Promoting Education</td> <td>76.86</td> </tr> <tr> <td>Disaster management, including relief</td> <td>28.08</td> </tr> <tr> <td>Contributions to development projects</td> <td>5.14</td> </tr> <tr> <td>Empowering women</td> <td>5</td> </tr> <tr> <td>Eradicating hunger, poverty</td> <td>3</td> </tr> <tr> <td>Employment Enhancing vocation skills, especially among children</td> <td>4</td> </tr> <tr> <td>Training to promote nationally recognized sports</td> <td>8.95</td> </tr> <tr> <td>Swachh Bharat Kosh</td> <td>15.82</td> </tr> </tbody> </table>	Projects	Contribution (Rs. in Lakh)	Promoting health care including preventive healthcare	72.06	Promoting Education	76.86	Disaster management, including relief	28.08	Contributions to development projects	5.14	Empowering women	5	Eradicating hunger, poverty	3	Employment Enhancing vocation skills, especially among children	4	Training to promote nationally recognized sports	8.95	Swachh Bharat Kosh	15.82
Projects	Contribution (Rs. in Lakh)																				
Promoting health care including preventive healthcare	72.06																				
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Disaster management, including relief	28.08																				
Contributions to development projects	5.14																				
Empowering women	5																				
Eradicating hunger, poverty	3																				
Employment Enhancing vocation skills, especially among children	4																				
Training to promote nationally recognized sports	8.95																				
Swachh Bharat Kosh	15.82																				
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.	Regular monitoring of all community development initiatives is done to ensure the successful and effective adoption of these initiatives by the community.																				

**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
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 their use and disposal process since our products require high-end technology and operate in very high-temperature working environments. Presentations are made to customers directly.



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?	The 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, the scope for improvements at steel plants.

For and on behalf of the  
Board of Directors

**Vesuvius India Limited**

Biswadip Gupta

**Chairman**

DIN 00048258

Place: Kolkata

Date: February 24, 2022

## SUSTAINABILITY IS AN INTRINSIC VALUE OF OUR COMPANY

From the very beginning, our core objective has been to help our customers improve their operational performance while keeping in mind our responsibility to safeguard environment by reducing the consumption of materials, generating less scrap and waste and improved metal yield and energy consumption, which in turn, result in lower CO<sub>2</sub> emissions.

Our solutions and services are targeted to help our customers to manufacture thinner, lighter and higher-performance products, reducing the environmental footprint. Alongside we have been working for many years to improve our own operations through a range of energy conservation programmes, environmental protection initiatives, and safety of our employees. At the same time, we seek to benefit the communities in which we operate and develop our people to build diverse, engaged and high-performing teams to promote our work.

Year 2020 marked a new beginning as Vesuvius plc, our ultimate parent company, became a signatory to the UN Global Compact, making a formal public commitment to support its principles on human rights, labour, environment and anti-corruption, and to engage in activities which advance the development of the UN's Sustainable Development Goals.

2021-2022 Vesuvius India marked a new beginning by initiating / formalising Sustainability as a focus value driver in all facets of our business.

We have launched an initiative to incorporate all these Environmental, Social and Governance programmes into a co-ordinated sustainability programme, developing a new governance structure to support our objectives and a new set of targets to direct our efforts. We have also taken steps to integrate **Business Responsibility and Sustainability Reporting** into our Sustainability Programme.



**OUR GOAL: To create a better tomorrow for our planet, our customers, our people and our communities.**

**ANNEXURE - VIII****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 Automatic condenser cleaning system for the central air conditioning system, replacement of old air conditioning units with high efficiency inverter type at Vishakhapatnam plant.

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

- Installation of a 610 Kwp and 199 Kwp roof top solar power plants at Kolkata and Vizag manufacturing facilities are in progress and is expected to be commissioned by Q1 2022.

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

- Approximately Rs 25 lakhs has been incurred on energy saving equipment during the year.

**(B) Technology absorption****(i) Efforts made towards technology absorption**

- Supergard Oxygen Barrier lining (OBL) for tundish to improve the steel cleanliness.  
No cement gel bonded high performance product BBX322, a global product introduced in the local market with 30% improvement in performance in Tilting Runner and Iron Runner application.
- The AFR resistance castable for Cement plant application has been developed by R&D, an effort towards providing refractory solution against future trend of fuel.
- New flood glazing for VISO G77 to improve performance of our products.
- Multi hole CAL-W mono block stoppers to improve casting duration of special alloy steels in Tundish.
- Multi hole Monoblock Tundish Nozzle Plates and ATOM with special baffles.

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

- New generation purging plug 'Opticlean' to improve product life, help in improving steel quality and reducing lancing frequency.
- "Tundish gas diffuser with IPV safety mechanism" installed at bottom of tundish to improve safety and effectiveness of the steel quality improvement
- Blast furnace stack shotcreting product Surshot COS was developed and successfully industrialized to retain and regain market shares.
- Taphole clay Surtap 500Z/X/450B has significantly contributed towards THC business. The performances are well established all across the accounts where Vesuvius clay has been in use.
- VZX 036/040 rapid curing anti splash clay with advanced binder technology for single tap hole operation has been successfully developed and now under commercialization stage.
- New Dry vibe material for working lining of tundish, which has now been successfully used in multiple customers.
- VESUVIUS Tundish has ensured very long duration casting for our customers (34 hours at JSW Dolvi Thin slab, 30 hours at Tata Steel Thin slab caster) substantially improving their productivity and yield.

**Import Substitution:**

- Successfully established partial substitution of imported raw material with recycled products procured locally, in few finished products which have been tried successfully at multiple customers & now under conversion & scale up.

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

- Benefit of Ladle scanner technology has been well accepted in Indian steel plant. Two ladle scanners are commissioned in Indian steel plant (JSW Dolvi & RINL) successfully in 2021.

**(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. 320 lakhs 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. 6,227.75 lakhs
- Foreign Exchange outgo in terms of actual outflow: Rs. 31,640.03 lakhs (including dividend remittance)

## ANNEXURE - IX

**PARTICULARS OF EMPLOYEES**

for the year ended on December 31, 2021

**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3(Q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) 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 : 369% Mr Patrick Andre : Not applicable# Mr Thiago da Costa Avelar : Not applicable# Mr Nitin Jain : 1015% Mr Henry James Knowles : Not applicable# Miss Nayantara Palchoudhuri : 214% Mr Sudipto Sarkar : 214%
(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 : 103% Mr Patrick Andre : Not applicable# Mr Thiago da Costa Avelar : Not applicable# Mr Nitin Jain : Not applicable^ Mr Henry James Knowles : Not applicable# Miss Nayantara Palchoudhuri : 51% Mr Sudipto Sarkar : 51% Mr Vikram Singh, Company Secretary : 8% Mr Sivasish Sen, Chief Financial Officer : 12%
(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	: 459 Employees as on December 31, 2021
(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 9.5 %.  Average salary increase of managerial persons is 8.10 %. There are no exceptional circumstances in increase in managerial remuneration.
(xii) affirmation that the remuneration is as per the remuneration policy of the company.	: Remuneration paid during the year ended on December 31, 2021, is as per the Remuneration Policy of the Company.

#Nominees of the ultimate holding company, neither entitled to any commission nor any sitting fees.

^Mr Nitin Jain joined the Company on March 16, 2021.

**ANNEXURE - IX**  
**PARTICULARS OF EMPLOYEES** (Contd.)  
for the year ended on December 31, 2021

**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
<b>Top ten employees in terms of remuneration employed during the year &amp; employees in receipt of remuneration aggregating Rs. 1,02,00,000 per annum or more</b>								
Nitin Jain	41	Nil	Managing Director	2,05,08,603	B.Tech, MS, MBA	19	March 16, 2021	Managing Director India & Sales & Technology Director APAC, Inerlys
Subrata Roy	56	Nil	Operations Director - Flow Control & Advance Refractory	1,94,71,883	BE (Mechanical)	34	September 6, 1993	Sr. Engineer, BHEL
Sivasis Sen	51	Nil	Finance Director - Flow Control & Advance Refractory and Chief Financial Officer	1,33,47,463	CA	25	November 1, 2019	Regional Supply Finance Director - Asia Pacific Mars International.
U. K. Shashi Kumar	51	10	Commercial Director - Flow Control & Advance Refractory	1,14,14,136	B.Tech (Metallurgy)	29	September 6, 1994	Sales Officer, Murugappa Morgan Thermal Ceramics Ltd.
Sudarshan Das	56	3500	Marketing & Technology Director - Flow Control	1,08,01,769	BE (Metallurgy)	32	April 9, 2007	Sales Manager (India & Other Asia) Pyrotek Inc, Canada
Saibal Bandyopadhyay	51	Nil	Materials Technology Director - Flow Control	92,04,595	M.Tech (Polymer Science)	26	December 12, 1995	First Employment
Rajeev Chalana	41	Nil	CHRO - Flow Control & Advance Refractory	75,03,584	BCA, MBA	20	May 28, 2018	Senior Manager - HR, Lear Automotive India Private Ltd.
Vikram Singh	46	Nil	Legal Director - Flow Control & Advance Refractory and Company Secretary	70,65,198	CS, LLB	19	January 28, 2019	Head - Legal & Company Secretary, Tata UniStore Ltd.
Arjiti Dutta	49	Nil	General Manager - Advance Refractory Finance	57,04,304	CA	22	June 19, 2006	Manager Accounts, Tata Chemicals Ltd.
Akash Sharma	47	Nil	General Manager - Flow Control Sales	56,03,067	BE (Metallurgy)	25	October 29, 2018	Regional Manager Sales, Timken India Ltd.

**Notes:**

- Nature of employment and duties are contractual and in accordance with terms and conditions as per the Company's rules.
- Remuneration received includes salary, allowances, Company's contribution to retirement funds, etc. and monetary value of other perquisites computed on the basis of the Income Tax Act and Rules.
- No employee is a relative of any Director or Key Managerial Personnel of the Company.
- Details of employees in terms of Rule 5(2)(i) are already included in the list given above. Rule 5(2)(ii) and 5(2)(iii) of the captioned Rules are not applicable.
- Employed part of the year:
  - Mr Subrata Roy was Managing Director for the period commencing from August 19, 2020 to March 15, 2021. Mr Roy, from March 16, 2021, took charge of his earlier position "Operations Director - Flow Control & Advance Refractory. The remuneration of Mr Roy mentioned above is for the full year ended December 31, 2021. His remuneration as Managing Director is Rs 58,80,918/-
  - Mr Nitin Jain joined the company as managing director effective from March 16, 2021.

**ANNEXURE X :****THE ANNUAL REPORT ON CSR ACTIVITIES**

for Financial Year Ended on December 31, 2021

**1. Brief outline on CSR Policy of the Company:**

Vesuvius seeks to be a good corporate citizen wherever it does business and respects local concerns, customs, and traditions. Embracing Diversity is a cornerstone of Vesuvius values. Vesuvius recognizes that its operations impact a wide community of stakeholders, including investors, employees, customer, business associates and local communities, and that appropriate attention to the fulfilment of corporate responsibilities will enhance overall performance.

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.

The Corporate Social Responsibility (CSR) Policy of the Company is available on the Company's website [www.vesuviusindia.in](http://www.vesuviusindia.in).

The scope of activities which, the Company will undertake towards fulfillment of its CSR shall be in line with Schedule VII of the Companies Act, 2013 (the Act). The Company shall focus on the following key areas for its CSR Activities:

1. Health Care,
2. Women and Child Welfare,
3. Environment & Conservation,
4. Education & Skill Development,
5. Poverty Eradication &
6. Hunger Eradication

Besides, the CSR Activities of the Company shall be such activities as permissible under Schedule VII of the Act.

Subject to the provisions of the Act, the Company will undertake the CSR Activities either (i) directly and/ or (ii) through Implementing Agencies as defined in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	No. of meetings of CSR Committee held in 2021	No. of meetings of CSR Committee attended in 2021
1.	Mr Biswadip Gupta	Chairman (Independent Director)	1	1
2.	Mr Nitin Jain (from 16.03.2021)	Member (Managing Director)	1	NA
3.	Mr Henry Knowles	Member (Non-Executive Non-Independent Director)	1	1
4.	Ms Nayantara Palchoudhuri	Member (Independent Director)	1	1
5.	Mr Sudipto Sarkar	Member (Independent Director)	1	1
6.	Mr Subrata Roy (upto 15.03.2021)	Member (Managing Director)	1	1

Rajeev Chalana acts as Secretary to the CSR Committee.

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

The Composition of CSR committee, CSR Policy and CSR projects as approved by the Board are available on the Company's website [www.vesuviusindia.in](http://www.vesuviusindia.in).

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach thereport).**

Not applicable, as the average CSR obligation of the Company did not exceed Rs. 10 Crore or more, in the three immediately preceding financial years.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
2			
3			
<b>TOTAL</b>			

**6. Average net profit of the company as per section 135(5): Rs. 11521 Lakhs**

7. a.	Two percent of average net profit of the company as per section 135(5)	Rs. 230.42 Lakhs
b.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
c.	A amount required to be set off for the financial year, if any	Nil
d.	Total CSR obligation for the financial year (7a+7b-7c).	Rs. 230.42 Lakhs

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in Rs.)	Amount Un spent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,14,62,413	NIL	NA	Swach Bharat Kosh	15,82,000	16-02-2022





## 8. (c) Details of CSR amount spent against other than ongoing projects for the financial year: (Contd.)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency
				State	District			Name Registration Number
	Smart Classes	Education & Skill Development	Yes	West Bengal	Kolkata	6,68,819	No	Childlife Preserve ShisurSevay, Kolkata CSR00004344
	Nabadisha – School for underprivileged & disadvantaged Children	Education & Skill Development	Yes	West Bengal	Kolkata	3,00,000	No	Nabadisha School, Kolkata(Vikramshila Education Society) CSR00001182
	Skill Development	Education & Skill Development	No	West Bengal	Kolkata	4,00,000	No	Ramakrishna Mission Boy's Home, Kolkata CSR00006101
	Livelihood Project, Sundarban	Poverty Eradication	No	West Bengal	24 North Parganas	3,00,000	No	Boral SardarparaMatri O Shishu Kalyan Samsad, Sundarban CSR00004425
	Livelihood Project Cheyutha- Livelihood Enhancement of Women through Income Generation Program	Women & Child Welfare	No	Andhra Pradesh	Visakhapatnam	5,00,000	No	Nature, Visakhapatnam CSR00001440
	Dry Ration Distribution during COVID	Hunger Eradication/ COVID Project	Yes	West Bengal	Kolkata	2,36,292	No	Calcutta Rescue, Kolkata CSR0000239
	Covid Project	Hunger Eradication/ COVID Project	No	6 States		20,20,000	Yes	CLSS Covid N/A
	Vizag Covid Project	COVID Project	No	Andhra Pradesh	Visakhapatnam	3,26,250	Yes	Govt. Hospital N/A
	Covid Project, Hisar	COVID Project	No	Haryana	Hisar	30,000	No	Dr. Gopi Chand Bhargava Memorial Trust N/A
	Covid Project, Kolkata	COVID Project	Yes	West Bengal	Kolkata	1,95,400	No	Hope Kolkata Foundation CSR00000338
	Education for Drop-out Girls	Education & Skill Development	Yes	West Bengal	Kolkata	22,65,524	No	Child Rights & You CSR00000805
	Infrastructure Development of Govt. School	Education & Skill Development	No	Andhra Pradesh	Visakhapatnam	13,52,119	No	Nature, Visakhapatnam CSR00001440
	Support to Kolkata Police Family Welfare Centre	Health Care	Yes	West Bengal	Kolkata	15,00,000	No	Kolkata Police Family Welfare Centre A/F
	Road Safety Program	Environment & Conservation	No	Andhra Pradesh	Visakhapatnam	5,14,250	No	Nature, Visakhapatnam CSR00001440
	Development of Sports	Education & Skill Development	Yes	West Bengal	Kolkata	8,95,400	No	Calcutta Racket Club N/A
		<b>TOTAL</b>				<b>2,03,10,313</b>		

Note: As required under Section 135(5) of the Act, February 16, 2022 the unspent amount aggregating to Rs. 15,82,000/- has been transferred to the Swachh Bharat Kosh as one of the funds specified under the Schedule VII of the Act.

**ANNEXURE X :**  
**THE ANNUAL REPORT ON CSR ACTIVITIES**  
for Financial Year Ended on December 31, 2021 (Contd.)

(d)	Amount spent in Administrative Overheads:	Rs. 11.52 Lakhs
(e)	Amount spent on Impact Assessment, if applicable:	Not Applicable
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e):	Rs. 214.62 Lakhs

**(g) Excess amount for set off, if any:**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	230.42 Lakhs
(ii)	Total amount spent for the Financial Year	214.62 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the Reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1.	2020	Nil	N.A.	N.A.	Nil	N.A.	Nil
2.	2019	Nil	N.A.	N.A.	Nil	N.A.	Nil
3.	2018	Nil	N.A.	N.A.	Nil	N.A.	Nil
<b>TOTAL</b>							

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project- Completed/ Ongoing
1								
2								
3								
4								
<b>TOTAL</b>								

NIL

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: (asset-wise details).**

A. Date of creation or acquisition of the capital asset(s).		
B. Amount of CSR spent for creation or acquisition of capital asset.		
C. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	<b>NOT APPLICABLE</b>	
D. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).		

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**

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 and extending support in healthcare, hunger/ poverty eradication and their welfare and such other activities covered under CSR Policy. 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. However, due to the Covid situation, the Company could not finalise and execute few of the projects falling within the Company's CSR Policy and hence total amount earmarked for the purpose could not be spent. As required under Section 135(5) of the Act, on February 16, 2022 the unspent amount aggregating to Rs. 15,82,000/- has been transferred to the Swachh Bharat Kosh as one of the funds specified under the Schedule VII of the Act.

Place : Kolkata  
Date : February 24, 2022

Nitin Jain  
**Managing Director,**  
DIN - 07934566

Biswadip Gupta  
**Chairman, CSR Committee**  
DIN - 00048258

Rajeev Chalana  
**Secretary, CSR Committee**

## 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, 2021 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, 2021, 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.

#### Key Audit Matters

4. 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 is transferred to the customer.

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 each 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 contracts / purchase orders on a sample basis;
- Performed testing of sample contracts / purchase orders to ensure the revenue transactions have been appropriately recorded on fulfilment of the related performance obligations as per the selected contracts;
- Tested receipts against the contracts / purchase orders and appropriateness of adjustments made for variable consideration;

- 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.

#### **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.

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF VESUVIUS INDIA LIMITED (Contd.)

- 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2021 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, 2021 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at December 31, 2021;
  - 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, 2021.
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: 22057084ADMPXD7579

Kolkata

February 24, 2022

## **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, 2021**

### **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, 2021 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, 2021, 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.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

*Chartered Accountants*

**Sougata Mukherjee**

Partner

Membership Number: 057084

Kolkata

February 24, 2022

## 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, 2021

- 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 excluding 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, there are no dues of duty of customs and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of excise and value added tax as at December 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. Lakhs)	Period to which amount relates	Forum where the dispute pending
Income Tax Act, 1961	Disallowances arising in income tax proceedings (Net of Deposits of Rs. 4,307 lakhs)	156	2006-07 and 2013-14	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Disallowances of Cenvat credit (net of deposit Rs. 10 lakhs)	259	2007-08 to 2017-18	Central Excise and Service Tax Appellate Tribunal, Additional Commissioner, Assistant Commissioner, Commissioner (Appeals)
Finance Act, 1994	Non / short payment of service tax	12	2006-07 and 2007-08	Central Excise and Service Tax Appellate Tribunal

Name of the statute	Nature of dues	Amount (Rs. Lakhs)	Period to which amount relates	Forum where the dispute pending
Central Sales Tax Act, 1956	Non Submission of Forms (net of deposits of Rs. 243 lakhs)	263	2005-06, 2012-13 to 2017-18	Sales Tax Appellate Tribunal, Commissioner (Appeals), Deputy Commissioner, Appellate Deputy Commissioner
Central Sales Tax Act, 1956	Disallowance of Stock Transfer	2,723	2008-09 to 2011-12	Sales Tax Appellate Tribunal
West Bengal Value Added Tax Act, 2003	Non-submission of forms (net of deposits Rs. 2 lakhs)	13	2013-14	Commissioner (Appeals)
Andhra Pradesh Value Added Tax Act, 2005	Denial of Inputs credits (net of deposits of Rs. 28 lakhs)	17	2011-12, 2012-13	Sales Tax Appellate Tribunal
Andhra Pradesh Value Added Tax Act, 2005	Disallowance of Stock Transfer (net of deposits Rs. 5 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- 06 and 2006-07	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 24, 2022

## Balance Sheet

as at December 31, 2021

(Amount in Rupees Lakhs, unless stated otherwise)

	Notes	As at December 31, 2021	As at December 31, 2020
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	3	11,504	11,851
(b) Capital work-in-progress	4	2,719	2,134
(c) Intangible assets	5	82	131
(d) Financial assets			
(i) Trade receivables	6	447	447
(ii) Loans	7	109	93
(iii) Other financial assets	8	218	223
(e) Non current tax asset (net)	9	2,519	2,200
(f) Deferred tax assets (net)	10	1,619	1,437
(g) Other non-current assets	11	1,764	843
<b>Total non-current assets</b>		<b>20,981</b>	<b>19,359</b>
<b>(2) Current assets</b>			
(a) Inventories	12	21,311	11,696
(b) Financial assets			
(i) Trade receivables	13	16,397	16,339
(ii) Cash and cash equivalents	14	2,608	5,245
(iii) Bank balances other than (ii) above	15	52,786	50,682
(iv) Loans	16	35	37
(v) Other financial assets	17	499	319
(c) Other current assets	18	4,211	2,118
<b>Total current assets</b>		<b>97,847</b>	<b>86,436</b>
<b>Total assets</b>		<b>118,828</b>	<b>105,795</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	19	2,030	2,030
(b) Other equity	19	87,600	82,150
<b>Total equity</b>		<b>89,630</b>	<b>84,180</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Long-term provisions	20	2,385	2,233
<b>Total non-current liabilities</b>		<b>2,385</b>	<b>2,233</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	21	1,632	696
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	21	20,636	15,049
(ii) Other financial liabilities	22	2,218	1,259
(b) Short-term provisions	23	20	16
(c) Current tax liabilities (net)	24	1,697	1,528
(d) Other current liabilities	25	610	834
<b>Total current liabilities</b>		<b>26,813</b>	<b>19,382</b>
<b>Total liabilities</b>		<b>29,198</b>	<b>21,615</b>
<b>Total equity and liabilities</b>		<b>118,828</b>	<b>105,795</b>

The notes 1 to 49 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 Registration No: 012754N/N500016

**Sougata Mukherjee**

Partner

Membership No. 057084

Place: Kolkata

Date: February 24, 2022

**Nitin Jain**

Managing Director

DIN: 07934566

**Sivasis Sen**

Chief Financial Officer

Place: Kolkata

Date: February 24, 2022

**Biswadip Gupta**

Chairman

DIN : 00048258

**Vikram Singh**

Company Secretary

## Statement of Profit and Loss

### for the year ended December 31, 2021

(Amount in Rupees Lakhs, unless stated otherwise)

Particulars	Notes	For the year ended December 31, 2021	For the year ended December 31, 2020
(a) Revenue from operations	26	104,716	79,151
(b) Other income	27	1,966	2,098
<b>Total income</b>		<b>106,682</b>	<b>81,249</b>
<b>Expenses</b>			
(a) Cost of materials consumed	28	44,437	31,428
(b) Purchase of stock-in-trade	29	23,069	15,258
(c) Changes in inventories of work-in progress, stock-in-trade and finished goods	30	(4,753)	259
(d) Employee benefits expense	31	7,917	6,457
(e) Depreciation and amortisation expense	32	2,734	2,624
(f) Other expenses	33	24,122	18,068
<b>Total expenses</b>		<b>97,526</b>	<b>74,094</b>
<b>Profit before tax</b>		<b>9,156</b>	<b>7,155</b>
<b>Income Tax expense</b>			
- Current tax	43	2,555	2,060
- Deferred tax	43	(204)	(210)
<b>Total tax expense</b>		<b>2,351</b>	<b>1,850</b>
<b>Profit for the year</b>		<b>6,805</b>	<b>5,305</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements gain/(losses) of post-employment benefit obligations	45	88	(199)
(b) Income-tax relating to these item	43	(22)	50
<b>Other comprehensive income for the year, net of tax</b>		<b>66</b>	<b>(149)</b>
<b>Total comprehensive income for the year</b>		<b>6,871</b>	<b>5,156</b>
<b>Earnings per equity share:</b>	34		
Basic earnings per share		33.53	26.13
Diluted earnings per share		33.53	26.13

The notes 1 to 49 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 Registration No: 012754N/N500016  
**Sougata Mukherjee**  
Partner  
Membership No. 057084  
Place: Kolkata  
Date: February 24, 2022

For and on behalf of the Board of Directors

**Vesuvius India Limited**

CIN:L26933WB1991PLC052968

**Nitin Jain**  
Managing Director  
DIN: 07934566  
**Sivasis Sen**  
Chief Financial Officer  
Place: Kolkata  
Date: February 24, 2022

**Biswadip Gupta**  
Chairman  
DIN : 00048258  
**Vikram Singh**  
Company Secretary

## Statement of Cash Flows

### for the year ended December 31, 2021

(Amount in Rupees Lakhs, unless stated otherwise)

	For the year ended December 31, 2021	For the year ended December 31, 2020
<b>Cash flows from operating activities</b>		
Profit before tax	9,156	7,155
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	2,734	2,624
Provision for doubtful trade receivables written back	-	(43)
(Gain)/Loss on sale/disposal/discard of property, plant and equipment (net) *	-	(1)
Unrealised loss/(gain) foreign exchange differences (net)	19	(74)
Interest income on fixed deposits	(1,592)	(1,835)
<b>Operating profit before working capital changes</b>	<b>10,317</b>	<b>7,826</b>
<b>Adjustments for (increase)/decrease in operating assets:</b>		
Trade receivables	(63)	2,485
Inventories	(9,615)	(943)
Loans - non-current and current	(14)	(2)
Other financial assets - Current	1	-
Other financial assets - Non Current	5	20
Other non current assets	(169)	(103)
Other current assets	(2,093)	(696)
<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
Trade payables	6,509	3,364
Other current liabilities	(224)	38
Other financial liabilities - current	475	(40)
Long-term and Short-term provisions	244	246
<b>Cash generated from operations</b>	<b>5,373</b>	<b>12,195</b>
Income taxes paid (net)	(2,705)	(1,984)
<b>Net cash from operating activities (A)</b>	<b>2,668</b>	<b>10,211</b>
<b>Cash flows from investing activities</b>		
Payments for acquisition of property, plant and equipment including capital advances	(3,195)	(1,517)
Proceeds from disposal of property, plant and equipment *	-	1
Interest received	1,411	1,808
Purchase of fixed deposits (net)	(2,100)	(50,630)
<b>Net cash used in investing activities (B)</b>	<b>(3,884)</b>	<b>(50,338)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(1,421)	(1,421)
<b>Net cash used in financing activities (C)</b>	<b>(1,421)</b>	<b>(1,421)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(2,637)</b>	<b>(41,548)</b>
Cash and cash equivalents at the beginning of the year (refer note I below)	5,245	46,793
<b>Cash and cash equivalents at the end of the year (refer note I below)</b>	<b>2,608</b>	<b>5,245</b>

\*Below rounding off amount

**Notes to Statement of Cash Flows**

(Amount in Rupees Lakhs, unless stated otherwise)

	<b>For the year ended December 31, 2021</b>	For the year ended December 31, 2020
<b>I. Components of cash and cash equivalents:</b>		
Cash on hand	1	1
Balances with scheduled banks:		
- On current accounts	2,607	4,244
- On deposit accounts (deposits having maturity of 3 months or less)	-	1,000
<b>Cash and cash equivalents as per note 14</b>	<b>2,608</b>	<b>5,245</b>

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 of Cash Flows" specified under Section 133 of the Companies Act, 2013.

The notes 1 to 49 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 24, 2022

For and on behalf of the Board of Directors

**Vesuvius India Limited**

CIN:L26933WB1991PLC052968

**Nitin Jain**

*Managing Director*

DIN: 07934566

**Sivasis Sen**

*Chief Financial Officer*

Place: Kolkata

Date: February 24, 2022

**Biswadip Gupta**

*Chairman*

DIN : 00048258

**Vikram Singh**

*Company Secretary*

## Statement of Changes in Equity

### for the year ended December 31, 2021

(Amount in Rupees Lakhs, unless stated otherwise)

#### A. Equity share capital

Description	Notes	Amount
As at January 1, 2020	19	2,030
Changes in equity share capital		-
<b>As at December 31, 2020</b>		<b>2,030</b>
Changes in equity share capital		-
<b>As at December 31, 2021</b>		<b>2,030</b>

#### B. Other equity

Description	Notes	Reserves and surplus					Share Based Reserve	Total other equity
		Capital reserve	Securities premium	General reserve	Retained earnings			
<b>Balance at January 1, 2020</b>	19	18	1,695	6,829	69,873	-	78,415	
Profit for the year		-	-	-	5,305	-	5,305	
Other comprehensive income		-	-	-	(149)	-	(149)	
<b>Total comprehensive income for the year</b>		-	-	-	<b>5,156</b>	-	<b>5,156</b>	
Dividends paid		-	-	-	(1,421)	-	(1,421)	
Share Based Payment Expenses recognised during the year		-	-	-	-	62	62	
Liability for Recharges		-	-	-	-	(62)	(62)	
<b>Balance as at December 31, 2020</b>		<b>18</b>	<b>1,695</b>	<b>6,829</b>	<b>73,608</b>	-	<b>82,150</b>	

Description	Notes	Reserves and surplus					Share Based Reserve	Total other equity
		Capital reserve	Securities premium	General reserve	Retained earnings			
<b>Balance at January 1, 2021</b>	19	18	1,695	6,829	73,608	-	82,150	
Profit for the year		-	-	-	6,805	-	6,805	
Other comprehensive income		-	-	-	66	-	66	
<b>Total comprehensive income for the year</b>		-	-	-	<b>6,871</b>	-	<b>6,871</b>	
Dividends paid		-	-	-	(1,421)	-	(1,421)	
Share Based Payment Expenses recognised during the year		-	-	-	-	55	55	
Liability for Recharges		-	-	-	-	(55)	(55)	
<b>Balance as at December 31, 2021</b>		<b>18</b>	<b>1,695</b>	<b>6,829</b>	<b>79,058</b>	-	<b>87,600</b>	

The notes 1 to 49 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 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 24, 2022

**Nitin Jain**

Managing Director

DIN: 07934566

**Sivasis Sen**

Chief Financial Officer

Place: Kolkata

Date: February 24, 2022

**Biswadip Gupta**

Chairman

DIN : 00048258

**Vikram Singh**

Company Secretary



## 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 subsidiaries, 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 24, 2022.

### 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.

#### 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.

## Notes forming part of Financial Statements (Contd.)

### Note 2.4 Capital Work in Progress

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

### 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 - upto 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.

### 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 statement of 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.

##### **(iii) Interest income**

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

##### **(iv) Export incentives**

Export incentives in the form of Duty Drawback and other schemes 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 and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

##### 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 (LICI). The Company's contribution to LICI 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.

**(c) 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.

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

## Notes forming part of Financial Statements (Contd.)

### 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**

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- The exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in an economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- Use a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing, and
- Makes adjustments specific to the lease, e.g. term, country, currency and security.

The company is exposed to potential future increases in variable lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depends on sale are recognized in profit or loss in the period in which the condition that triggers those payment occurs.

An entity shall determine the lease term as the non-cancellable period of a lease, together with both:

- (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

## Notes forming part of Financial Statements (Contd.)

Right-of-use assets are measured at cost comprising the following

- The amount of initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration cost

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with lease term of 12 months or less.

### The Company as 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. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

### Note 2.21 Share Based Payments

Certain employees of the Company receive annual incentive in the form of equity instruments given by the Ultimate Holding Company (Vesuvius Plc.) for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognized in the statement of profit and loss with a corresponding increase to the share based payment reserve, as a component of equity. The fair value determined at the grant date is expensed over the vesting period. Company considers these share based payments as equity settled and the Company does not bear any risk arising from the movement in the share price. Vesuvius Plc. recharges to the Company cost for the share based payments made/ to be made by them to the Company employees.

### Note 2.22 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 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 2.23 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 2.24 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 2.25 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 2.26 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 2.27 New and amended standards adopted by the Company**

The Company has considered the following amendments to Ind AS for the first time for their reporting period commencing 1st January 2021.

- Definition of Material amendments to Ind As 1 and Ind As 8
- COVID 19 related concessions amendments to Ind AS 116

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**Note 2.28 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 45

**Loss allowance for Expected Credit Losses**

To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles of sales over past quarters before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The assumptions and estimates applied for determining the loss allowance are reviewed periodically.

## Notes forming part of Financial Statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

### 3. Property, plant and equipment

Particulars	Land	Freehold Buildings	Plant and equipments	Toolings and fixtures	Furniture and fixtures	Vehicles	Office equipment including computers	Electrical installations	Total
<b>Gross Block</b>									
<b>Balance as at January 1, 2020</b>	463	4,503	11,565	3,615	152	1	653	577	21,529
Additions during the year	-	61	1,612	383	-	-	29	5	2,090
Discarded / disposed off during the year	-	-	329	-	-	-	1	-	330
<b>Balance as at December 31, 2020</b>	<b>463</b>	<b>4,564</b>	<b>12,848</b>	<b>3,998</b>	<b>152</b>	<b>1</b>	<b>681</b>	<b>582</b>	<b>23,289</b>
<b>Balance as at January 1, 2021</b>	463	4,564	12,848	3,998	152	1	681	582	23,289
Additions during the year	-	60	1,584	560	6	-	128	-	2,338
Discarded / disposed off during the year	-	-	258	-	1	-	61	-	320
<b>Balance as at December 31, 2021</b>	<b>463</b>	<b>4,624</b>	<b>14,174</b>	<b>4,558</b>	<b>157</b>	<b>1</b>	<b>748</b>	<b>582</b>	<b>25,307</b>
<b>Accumulated depreciation</b>									
<b>Balance as at January 1, 2020</b>	122	738	5,173	2,632	110	-	173	267	9,215
Depreciation for the year	23	209	1,483	623	14	-	144	57	2,553
Accumulated depreciation on discard/ disposals	-	-	329	-	-	-	1	-	330
<b>Balance as at December 31, 2020</b>	<b>145</b>	<b>947</b>	<b>6,327</b>	<b>3,255</b>	<b>124</b>	<b>-</b>	<b>316</b>	<b>324</b>	<b>11,438</b>
<b>Balance as at January 1, 2021</b>	145	947	6,327	3,255	124	-	316	324	11,438
Depreciation for the year	1	213	1,726	533	14	-	149	49	2,685
Accumulated depreciation on discard/ disposals	-	-	258	-	1	-	61	-	320
<b>Balance as at December 31, 2021</b>	<b>146</b>	<b>1,160</b>	<b>7,795</b>	<b>3,788</b>	<b>137</b>	<b>-</b>	<b>404</b>	<b>373</b>	<b>13,803</b>
<b>Net carrying amount</b>									
<b>Balance as at January 1, 2020</b>	341	3,765	6,392	983	42	1	480	310	12,314
<b>Balance as at December 31, 2020</b>	318	3,617	6,521	743	28	1	365	258	11,851
<b>Balance as at December 31, 2021</b>	317	3,464	6,379	770	20	1	344	209	11,504

**Notes:** (i) Land includes Right-of-use Land of Gross Block amounting to Rs. 60 and Accumulated Depreciation amounting of Rs. 14 as on January 01, 2021. Current year Depreciation on Right-of-use Land is Rs. 1. Net Block amounting to Rs. 45 as on December 31, 2021.

(ii) Building includes carrying amount of Rs. 1,626 [December 31, 2020: Rs. 1,722] and Rs. 129 [December 31, 2020: Rs. 106] situated at leasehold lands at Kolkata and Mehsana respectively.

(iii) Land includes 40,083 sq. meters of land at Kolkata for which renewal of the lease agreements are under progress.

(Amount in Rupees Lakhs, unless stated otherwise)

**4. Capital work-in-progress**

Particulars	Capital work-in-progress
<b>Gross Block</b>	
Balance as at January 1, 2020	2,773
Additions during the year	1,068
Capitalisation during the year	(1,707)
<b>Balance as at December 31, 2020</b>	<b>2,134</b>
<b>Balance as at January 1, 2021</b>	<b>2,134</b>
Additions during the year	2,370
Capitalisation during the year	(1,785)
<b>Balance as at December 31, 2021</b>	<b>2,719</b>

**Note:**

Includes Rs. 969 paid for freehold land at Visakhapatnam acquired from Andhra Pradesh Industrial Infrastructure Corporation Limited ("APIIC") for which agreement to sale was executed. Construction on this plot has not yet been approved by Visakhapatnam Urban Development Authority due to Buffer Zone. In December 2021, the local development authority communicated to Company that the relevant allotment stands cancelled (as resolution of the buffer zone may take a considerable time), and the amounts paid by the Company will be refunded as per the rules of the local authority after Company completes documentary formalities. In January 2022, the Company has communicated to local development authority requesting for an amicable solution and keep the Cancellation Order under suspension.

**5. Intangible assets**

Particulars	Computer Software
<b>Gross Block</b>	
Balance as at January 1, 2020	223
Additions during the year	124
Discarded /disposed off during the year	-
<b>Balance as at December 31, 2020</b>	<b>347</b>
<b>Balance as at January 1, 2021</b>	<b>347</b>
Additions during the year	-
Discarded /disposed off during the year	15
<b>Balance as at December 31, 2021</b>	<b>332</b>
<b>Accumulated amortisation</b>	
Balance as at January 1, 2020	145
Amortisation for the year	71
Accumulated amortisation on discard/ disposals	-
<b>Balance as at December 31, 2020</b>	<b>216</b>
<b>Balance as at January 1, 2021</b>	<b>216</b>
Amortisation for the year	49
Accumulated amortisation on discard/ disposals	15
<b>Balance as at December 31, 2021</b>	<b>250</b>
<b>Net carrying amount</b>	
Balance as at January 1, 2020	78
Balance as at December 31, 2020	131
Balance as at December 31, 2021	82

**6. Trade receivables - Non current**

	As at December 31, 2021	As at December 31, 2020
<b>Trade receivables</b>		
Receivables from others		
Unsecured, considered good	447	447
Unsecured, considered doubtful	450	450
Less: Allowance for doubtful debts [Refer note 41(A)]	(450)	(450)
<b>Total trade receivables - Non current</b>	<b>447</b>	<b>447</b>

**7. Loans - Non current**

	As at December 31, 2021	As at December 31, 2020
<b>Unsecured - considered good</b>		
Loan to employees	109	93
<b>Total loans - Non current</b>	<b>109</b>	<b>93</b>

**8. Other financial assets - Non current**

	As at December 31, 2021	As at December 31, 2020
<b>Unsecured - considered good</b>		
Security Deposits	218	223
<b>Total other financial assets - Non current</b>	<b>218</b>	<b>223</b>

## Notes forming part of Financial Statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

9. Non current tax asset (net)	As at December 31, 2021	As at December 31, 2020
Advance income tax and fringe benefit tax [net of provision for income tax and fringe benefit tax of Rs. 35,914 (December 31, 2020: Rs. 33,906)]	2,519	2,200
<b>Total non current tax asset (net)</b>	<b>2,519</b>	<b>2,200</b>

10. Deferred tax assets	As at December 31, 2021	As at December 31, 2020
<b>Deferred tax assets</b>		
Difference between written down value of depreciable assets as per books of accounts and written down value as per Income-tax Act	556	405
Expenditure allowable on payments basis	844	804
Provision for doubtful trade receivables, advances, etc.	217	219
Voluntary retirement expenses	2	9
<b>Total Deferred tax assets (net)</b>	<b>1,619</b>	<b>1,437</b>

The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

	As at December 31, 2021	As at December 31, 2020
Deferred tax assets	1,639	1,479
Deferred tax liabilities	(20)	(42)
	<b>1,619</b>	<b>1,437</b>

2021	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deferred tax (liabilities)/ assets in relation to:				
Property, plant & equipment	404	151	-	555
Amount allowable on payment basis as per section 43B of the Income Tax Act, 1961	566	61	(22)	605
Other items (net)	467	(8)	-	459
	<b>1,437</b>	<b>204</b>	<b>(22)</b>	<b>1,619</b>

2020	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deferred tax (liabilities)/ assets in relation to:				
Property, plant & equipment	290	114	-	404
Amount allowable on payment basis as per section 43B of the Income Tax Act, 1961	454	62	50	566
Other items (net)	433	34	-	467
	<b>1,177</b>	<b>210</b>	<b>50</b>	<b>1,437</b>

11. Other non-current assets	As at December 31, 2021	As at December 31, 2020
Capital advances	757	5
Prepaid expenses	181	89
Deposits against demand in disputes	826	749
<b>Total other non-current assets</b>	<b>1,764</b>	<b>843</b>

(Amount in Rupees Lakhs, unless stated otherwise)

<b>12. Inventories</b>	<b>As at December 31, 2021</b>	<b>As at December 31, 2020</b>
Raw Materials [including goods in transit Rs. 3835 (December 31, 2020 : Rs. 2501)]	<b>9,878</b>	5,095
Work-in-progress	<b>1,414</b>	1,087
Finished goods	<b>5,243</b>	2,477
Stock-in-trade [including goods in transit Rs. 805 (December 31, 2020 : Rs. 708)]	<b>4,010</b>	2,350
Stores and spares	<b>766</b>	687
<b>Total inventories</b>	<b>21,311</b>	11,696

<b>13. Trade receivables - Current</b>	<b>As at December 31, 2021</b>	<b>As at December 31, 2020</b>
<b>Trade receivables</b>		
Receivables from related parties (Refer note 39)	<b>518</b>	330
Unsecured, considered good		
Receivables from others		
Unsecured, considered good	<b>15,879</b>	16,009
Unsecured, considered doubtful	<b>413</b>	421
Less: Allowance for doubtful debts [Refer note 41(A)]	<b>(413)</b>	(421)
<b>Total trade receivables - Current</b>	<b>16,397</b>	16,339

<b>14. Cash and cash equivalents</b>	<b>As at December 31, 2021</b>	<b>As at December 31, 2020</b>
Cash on hand	<b>1</b>	1
Balances with banks		
On current accounts	<b>2,607</b>	4,244
On deposit accounts (with original maturity of 3 months or less)	<b>-</b>	1,000
<b>Total cash and cash equivalents</b>	<b>2,608</b>	5,245

<b>15. Other bank balances</b>	<b>As at December 31, 2021</b>	<b>As at December 31, 2020</b>
On Unpaid dividend account*	<b>56</b>	52
Bank deposits due to mature after 3 months of original maturity but within 12 months of the reporting date	<b>52,730</b>	50,630
<b>Total other bank balances</b>	<b>52,786</b>	50,682

\* Earmarked balances for unpaid dividend

<b>16. Loans - Current</b>	<b>As at December 31, 2021</b>	<b>As at December 31, 2020</b>
<b>Unsecured considered good</b>		
Loans to employees	<b>35</b>	37
<b>Total Loans - current</b>	<b>35</b>	37

<b>17. Other financial assets - Current</b>	<b>As at December 31, 2021</b>	<b>As at December 31, 2020</b>
<b>Unsecured considered good</b>		
Interest accrued but not due on fixed deposits	<b>487</b>	306
Security deposit	<b>12</b>	13
<b>Total other financial assets - current</b>	<b>499</b>	319

## Notes forming part of Financial Statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

18. Other current assets	As at December 31, 2021	As at December 31, 2020
Advances to employees	82	91
Export benefit receivable	65	58
Prepaid expenses	1,345	987
Advances for supply of goods and services		
Unsecured, considered good	1,131	212
Balances with statutory/government authorities	1,588	770
<b>Total other current assets</b>	<b>4,211</b>	<b>2,118</b>

### Notes :

(i) movements in allowance of credit losses of receivables is as below:	As at December 31, 2021	As at December 31, 2020
Balance at the beginning of the year	871	914
Charge/(release) during the year	-	-
Utilised during the year	(8)	(43)
<b>Balance at the end of the year</b>	<b>863</b>	<b>871</b>

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

	As at December 31, 2021		
	Gross Credit Risk	Allowances for Credit Losses	Net Credit risk
Amount not yet due	13,354	52	13,302
One month overdue	2,152	6	2,146
Two month overdue	567	2	565
Three month overdue	117	1	116
Between three to six month overdue	201	1	200
Greater than six months	1,316	801	515
	<b>17,707</b>	<b>863</b>	<b>16,844</b>

	As at December 31, 2020		
	Gross Credit Risk	Allowances for Credit Losses	Net Credit risk
Amount not yet due	13,756	114	13,642
One month overdue	1,817	14	1,803
Two month overdue	425	2	423
Three month overdue	135	1	134
Between three to six month overdue	199	2	197
Greater than six months	1,325	738	587
	<b>17,657</b>	<b>871</b>	<b>16,786</b>

(Amount in Rupees Lakhs, unless stated otherwise)

## 19. Equity share capital and other equity

### (A) Equity share capital

#### (a) Authorised, issued and subscribed equity share capital

	As at December 31, 2021	As at December 31, 2020
<b>Authorised:</b>		
<b>25,000,000 (December 31, 2020 : 25,000,000)</b>		
Equity shares of Rs. 10 each	2,500	2,500
	<b>2,500</b>	2,500
<b>Issued:</b>		
<b>20,300,000 (December 31, 2020 : 20,300,000)</b>		
Equity shares of Rs. 10 each	2,030	2,030
	<b>2,030</b>	2,030
<b>Out of the above,</b>		
<b>3,920 (December 31, 2020 : 3,920)</b>		
Equity shares of Rs. 10 each are held in abeyance		
<b>Subscribed and fully paid up</b>		
<b>20,296,080 (December 31, 2020 : 20,296,080)</b>		
Equity shares of Rs. 10 each	2,030	2,030
	<b>2,030</b>	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, 2021		As at December 31, 2020	
	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	-	-	-	-
<b>At the end of the year</b>	<b>20,296,080</b>	<b>2,030</b>	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.

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, 2021		As at December 31, 2020	
	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, 2021		As at December 31, 2020	
	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%
Nippon Life India Trustee Limited	1,989,107	9.80%	1,298,762	6.40%
HDFC Trustee Company Limited	1,805,084	8.89%	1,857,084	9.15%

## Notes forming part of Financial Statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

### (B) Other equity

	As at December 31, 2021	As at December 31, 2020
Reserves and surplus		
<b>Capital Reserves [Refer Note (a)]</b>		
At the beginning and at the end of the year	18	18
<b>Securities premium [Refer Note (b)]</b>		
At the beginning and at the end of the year	1,695	1,695
<b>General reserve [Refer Note (c)]</b>		
At the beginning and at the end of the year	6,829	6,829
<b>Retained earnings [Refer Note (d)]</b>		
At the beginning of the year	73,608	69,873
Profit for the year	6,805	5,305
Other comprehensive income for the year	66	(149)
Dividend paid including taxes thereon [Refer Note (e)]	(1,421)	(1,421)
<b>At the end of the year</b>	<b>79,058</b>	<b>73,608</b>
<b>Share Based Reserve [Refer Note 44]</b>		
At the beginning of the year	-	-
Share Based Payment Expenses recognised during the year	55	62
Liability for Recharges	(55)	(62)
<b>At the end of the year</b>	<b>-</b>	<b>-</b>
<b>Total Reserves and Surplus</b>	<b>87,600</b>	<b>82,150</b>

#### Notes:

##### (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.

##### (e) Dividends and taxes thereon

During the year 2021 the Company's shareholders have declared dividend of Rs. 7.00 per share (2020 : Rs. 7.00 per share) which resulted in an outflow of Rs. 1,421 (2020 : Rs. 1,421) 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. 8.00 per share which would result in an outflow of Rs. 1,624. Pending approval of the shareholders the same is not recognised in the financial statements.

	As at December 31, 2021	As at December 31, 2020
<b>20. Long-term provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity (Refer Note 45)	1,887	1,771
Compensated absences (Refer Note 45)	498	462
<b>Total long-term provisions</b>	<b>2,385</b>	<b>2,233</b>
<b>21. Trade payables</b>		
(i) total outstanding dues of micro enterprises and small enterprises (Refer Note 36)	1,632	696
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	20,636	15,049
<b>Total Trade payables</b>	<b>22,268</b>	<b>15,745</b>



(Amount in Rupees Lakhs, unless stated otherwise)

	As at December 31, 2021	As at December 31, 2020
<b>22. Other financial liabilities - current</b>		
Capital creditors	697	217
Unpaid dividend	56	52
Liability for other expenses	1,465	990
<b>Total Other financial liabilities - current</b>	<b>2,218</b>	<b>1,259</b>
<b>23. Short-term provisions</b>		
<b>Provision for employee benefits</b>		
Compensated absences (Refer Note 45)	20	16
<b>Total short-term provisions</b>	<b>20</b>	<b>16</b>
<b>24. Current tax liabilities (net)</b>		
Provision for income tax [net of advance tax of Rs.17,259 (December 31, 2020: Rs.16,881)]	1,697	1,528
<b>Total current tax liabilities (net)</b>	<b>1,697</b>	<b>1,528</b>
<b>25. Other current liabilities</b>		
Advance from customers	247	151
Statutory liabilities :		
Goods and services tax payable	150	510
Tax deducted at source payable	148	115
Provident fund and employee state insurance payable	65	58
	<b>363</b>	<b>683</b>
<b>Total Other current liabilities</b>	<b>610</b>	<b>834</b>
<b>26. Revenue from Operations</b>	<b>For the year ended December 31, 2021</b>	<b>For the year ended December 31, 2020</b>
<b>Sale of products</b>		
Finished goods (Manufactured goods)	56,039	39,666
Stock-in-trade (For trading)	20,818	18,301
<b>Sale of products (A)</b>	<b>76,857</b>	<b>57,967</b>
Sale of services	27,359	20,764
<b>Sale of services (B)</b>	<b>27,359</b>	<b>20,764</b>
<b>Other operating revenue</b>		
Export benefit	79	67
Scrap sales	90	58
Intercompany Service Income	331	295
<b>Other operating revenue (C)</b>	<b>500</b>	<b>420</b>
<b>Break-up of revenue from sale of products</b>		
<b>Finished goods (Manufactured goods)</b>		
Refractories (Shaped)	28,113	22,314
Refractories (Unshaped)	27,926	17,352
	<b>56,039</b>	<b>39,666</b>
<b>Stock-in-trade (For trading)</b>		
Refractories (Shaped)	8,112	6,631
Refractories (Unshaped)	12,706	11,670
	<b>20,818</b>	<b>18,301</b>
<b>Sale of products</b>	<b>76,857</b>	<b>57,967</b>
<b>Break-up of revenue from services rendered</b>		
Repairs and maintenance services	27,359	20,764
<b>Total revenue from operations (A+B+C)</b>	<b>104,716</b>	<b>79,151</b>

## Notes forming part of Financial Statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

<b>27. Other Income</b>	<b>For the year ended December 31, 2021</b>	For the year ended December 31, 2020
Interest income from financial assets carried at amortised cost :		
- Interest income on fixed deposits	1,592	1,835
- Interest income on others	2	5
Profit on sale of Property, plant and equipment [Net]**	-	1
Other non-operating income*	372	257
<b>Total other income</b>	<b>1,966</b>	<b>2,098</b>

\* Includes provision for doubtful trade receivable no longer required written back Rs. Nil (December 31, 2020 : Rs. 43)

\*\* Below rounding off amount

<b>28. Cost of materials consumed</b>	<b>For the year ended December 31, 2021</b>	For the year ended December 31, 2020
Inventory of raw materials at the beginning of the year	5,095	3,812
Purchases	49,220	32,711
	<b>54,315</b>	<b>36,523</b>
Less: Inventory of raw materials at the end of the year	9,878	5,095
<b>Total cost of materials consumed</b>	<b>44,437</b>	<b>31,428</b>

<b>29. Purchase of stock-in-trade</b>	<b>For the year ended December 31, 2021</b>	For the year ended December 31, 2020
<b>Purchase of stock-in-trade:</b>		
Refractories (Shaped)	13,416	9,141
Refractories (Unshaped)	9,653	6,117
<b>Total purchase of stock-in-trade</b>	<b>23,069</b>	<b>15,258</b>

<b>30. Changes in inventories of work-in progress, stock-in-trade and finished goods</b>	<b>For the year ended December 31, 2021</b>			For the year ended December 31, 2020		
	Opening Inventory	Closing Inventory	(Increase) / Decrease in Inventory	Opening Inventory	Closing Inventory	(Increase) / Decrease in Inventory
<b>Finished goods (Manufactured goods)</b>						
Refractories (Shaped)	1,291	2,658	(1,367)	1,522	1,291	231
Refractories (Unshaped)	1,186	2,585	(1,399)	1,572	1,186	386
	<b>2,477</b>	<b>5,243</b>	<b>(2,766)</b>	<b>3,094</b>	<b>2,477</b>	<b>617</b>
<b>Stock-in-trade (For trading)</b>						
Refractories (Shaped)	1,953	3,056	(1,103)	1,816	1,953	(137)
Refractories (Unshaped)	397	954	(557)	308	397	(89)
	<b>2,350</b>	<b>4,010</b>	<b>(1,660)</b>	<b>2,124</b>	<b>2,350</b>	<b>(226)</b>
<b>Work-in-progress</b>						
Refractories (Shaped)	656	834	(178)	668	656	12
Refractories (Unshaped)	431	580	(149)	287	431	(144)
	<b>1,087</b>	<b>1,414</b>	<b>(327)</b>	<b>955</b>	<b>1,087</b>	<b>(132)</b>
<b>Total changes in inventories of finished goods, work-in progress and stock-in-trade</b>	<b>5,914</b>	<b>10,667</b>	<b>(4,753)</b>	<b>6,173</b>	<b>5,914</b>	<b>259</b>

(Amount in Rupees Lakhs, unless stated otherwise)

	For the year ended December 31, 2021	For the year ended December 31, 2020
<b>31. Employee benefits expense</b>		
Salaries, wages and bonus	6,137	4,943
Share based payment	55	62
Contribution to provident and other funds (Refer Note 45)	910	831
Compensated absences (Refer Note 45)	67	104
Staff welfare expenses	748	517
<b>Total employee benefits expense</b>	<b>7,917</b>	<b>6,457</b>
<b>32. Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment [Refer note 3]	2,685	2,553
Amortisation of intangible assets [Refer note 5]	49	71
<b>Total depreciation and amortisation expense</b>	<b>2,734</b>	<b>2,624</b>
<b>33. Other expenses</b>		
Consumption of stores and spares *	477	323
Power and fuel	2,356	1,428
Freight	4,036	2,821
Site expenses	7,307	5,420
Rent (Refer Note 37) **	385	352
Repairs to:		
Buildings	159	117
Machinery	1,887	1,545
Others	70	59
Insurance	186	188
Rates and taxes	84	192
Royalty, Trademark and License fees	1,543	1,264
Travelling and conveyance expenses	1,531	1,117
Legal and professional fees	386	490
Auditor's Remuneration [Refer note below]	65	69
Directors' commission	75	54
Advertisement and sales promotion	23	5
Bank charges	96	62
Communication cost	93	98
Printing and stationery	54	56
Management fees	2,684	1,883
Loss on foreign exchange fluctuations [Net of foreign exchange gain of Rs. 162] (2020 : Rs. 213)	83	106
Corporate social responsibility expenditure [Refer Note 48]	216	163
Miscellaneous expenses	326	256
<b>Total other expenses</b>	<b>24,122</b>	<b>18,068</b>
<b>Note:</b>		
<b>Auditor's Remuneration</b>		
As auditors :		
Statutory audit	27	27
Limited review of quarterly results	11	11
In other capacity:		
Group reporting	14	14
Audit of tax accounts	12	15
Reimbursement of expenses	1	2
	<b>65</b>	<b>69</b>

\* Excludes stores and spares consumed and included under the head Repairs-Machinery Rs. 754 (2020: Rs. 495) and Site expenses Rs. 1111 (2020: Rs. 775).

\*\* Expense relating to short-term leases Rs. 218 (2020: Rs. 196) has been recognised in the current year.

## Notes forming part of Financial Statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

### 34. Earnings per equity share

#### Basic and diluted earning per share (EPS)

The calculation of basic and diluted earnings per share for the year ended December 31, 2021 is based on the profit attributable to equity shareholders and weighted average number of equity shares outstanding.

	For the year ended December 31, 2021	For the year ended December 31, 2020
<b>Earnings</b>		
Profit after tax	6,805	5,305
Net profit attributable to equity shareholders for calculation of basic and diluted EPS	6,805	5,305
<b>Shares</b>		
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.)	33.53	26.13
Nominal value of Equity Share (in Rs.)	10	10

### 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, 2021	As at December 31, 2020	
a.	Sales tax/ Value added tax	3505	4024	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	281	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, 2020: Rs. 749) regarding certain disputes relating to goods supplied by the Company in prior years.

(iii) The Company is awaiting further clarification in respect of retrospective application of the Supreme Court Judgment in the case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular issued by the Employees' Provident Fund Organisation in this regard. 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, 2021	As at December 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances]	1797	43

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

Dues to Micro, Small and Medium Enterprises	As at December 31, 2021	As at December 31, 2020
(a) The amounts remaining unpaid to micro and small suppliers as at the end of each accounting year		
- Principal	1632	696
- Interest	-	-

(Amount in Rupees Lakhs, unless stated otherwise)

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

Dues to Micro, Small and Medium Enterprises	As at December 31, 2021	As at December 31, 2020
(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	-	-

37 The Company has assets (premises, equipments etc.) with a lease term of 12 months or less. The Company applies the 'short term lease' recognition exemption for these lease. The Company also has certain leases of assets of low value. The Company applies 'low values lease' recognition exemption for these leases.

### 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 non-current tax assets	
	For the year ended December 31, 2021	For the year ended December 31, 2020	As at December 31, 2021	As at December 31, 2020
India	98,604	74,095	16,069	14,959
Outside India	6,112	5,056	-	-
	<b>104,716</b>	79,151	<b>16,069</b>	14,959

### 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

## Notes forming part of Financial Statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

### (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  
 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 Emirates FZE, United Arab Emirates  
 Vesuvius Foundry Products (Suzhou) Co. Ltd., China  
 Vesuvius France S.A., France  
 Vesuvius Group S.A., Belgium  
 Vesuvius Ibérica Refractarios S.A., Spain  
 Vesuvius Istanbul Sanayi ve Ticaret AS, Turkey  
 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  
 Wugang Vesuvius Advanced CCR  
 Vesuvius Mulheim GMBH, Germany  
 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 LLC, Moscow  
 Vesuvius Italia S.P.A., Italy  
 Vesuvius Inc. (Cleveland Foundry)  
 Vesuvius Zyarock Ceramics (Suzhou) Co Ltd.  
 Foseco Pty Limited, Australia  
 Vesuvius GmbH, Germany

### (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. Ritesh Dugarwal - Managing Director (deceased on August 19, 2020)  
 Mr. Subrata Roy - Managing Director (from August 19, 2020 till March 15, 2021)

(Amount in Rupees Lakhs, unless stated otherwise)

Mr. Nitin Jain - Managing Director (from March 16, 2021 onwards)  
 Mr. Sudipto Sarkar - Independent Director  
 Mr. Patrick Andre - Director  
 Ms. Nayantara Palchoudhuri - Independent Director  
 Mr. Tanmay Ganguly - Director (till May 21, 2020)  
 Mr. Henry James Knowles - Director (from June 03, 2020)  
 Mr. Thiago Da Costa Avelar- 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.

**B. Related party transactions**

Name of the entity	For the year ended December 31, 2021				For the year ended December 31, 2020			
	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
<b>Holding Company:</b>								
Vesuvius Holdings Limited, United Kingdom	-	-	-	227	-	-	-	61
<b>Immediate Holding Company:</b>								
Vesuvius Group Limited, United Kingdom	-	-	789	-	-	-	789	-
<b>Fellow Subsidiaries:</b>								
Avemis SAS, France	-	-	-	-	-	52	-	-
Foseco (Thailand) Limited, Thailand	291	-	-	-	164	-	-	-
Foseco India Limited, India	90	146	-	12	45	146	-	10
Foseco Industrial E Commercial Ltda, Brazil	56	-	-	-	6	-	-	-
Foseco Pty Limited, Australia	-	-	-	-	2	-	-	-
Pt. Foseco Indonesia, Indonesia	154	-	-	-	48	-	-	-
Sert Metal SAS, France	-	365	-	-	-	326	-	-
Vesuvius (Thailand) Co. Ltd, Thailand	426	-	-	-	463	-	-	-
Vesuvius Advanced Ceramics (China) Co. Ltd., China	-	701	-	-	3	155	-	-
Vesuvius Belgium N.V. Belgium	7	478	-	-	-	294	-	-
Vesuvius Emirates FZE, United Arab Emirates	36	-	-	-	91	-	-	-
Vesuvius Foundry Products (Suzhou) Co. Ltd., China	-	22	-	-	-	-	-	-
Vesuvius France S.A., France	-	16	-	-	-	5	-	-
Vesuvius GmbH, Germany	777	83	-	(231)	293	4	-	(153)
Vesuvius Group S.A., Belgium	-	5	-	457	-	39	-	379
Vesuvius Ibérica Refractorios S.A., Spain	-	13	-	-	-	-	-	-
Vesuvius Istanbul Refrakter Sanayi ve Ticaret AS	146	3	-	-	142	-	-	-
Vesuvius Italia S.P.A., Italy	11	-	-	-	3	-	-	-
Vesuvius Malaysia SDN. BHD, Malaysia	987	130	-	-	1,195	159	-	-
Vesuvius Mexico S.A. de C.V., Mexico	66	534	-	-	18	440	-	-
Vesuvius Poland Spółka z.o.o, Poland	12	1,058	-	5	11	927	-	5
Vesuvius Ras Al Khaimah FZ-LLC , United Arab Emirates	6	-	-	-	9	9	-	-
Vesuvius Slavia A.S., Czech Republic	-	(6)	-	-	8	10	-	-

## Notes forming part of Financial Statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

### B. Related party transactions (contd.)

Name of the entity	For the year ended December 31, 2021				For the year ended December 31, 2020			
	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
Vesuvius South Africa (Pty) Limited, South Africa	560	-	-	-	418	-	-	-
Vesuvius UK Limited, United Kingdom	375	472	-	-	413	353	-	-
Vesuvius USA Corporation, USA	957	935	-	1,088	421	397	-	889
Vesuvius UK Ltd- Taiwan	38	-	-	-	29	-	-	-
Wuhan Wugang Vesuvius Advanced Ceramics Co., Ltd, China	-	2,998	-	-	-	2,184	-	-
Wugang Vesuvius Advanced CCR	-	-	-	-	-	1	-	-
Yingkou Bayuquan Refractories Co., Ltd, China	-	34	-	-	-	12	-	-
Vesuvius Refratários Ltda, Brasil	9	58	-	-	8	17	-	-
Process Metrix LLC	-	497	-	-	-	3	-	-
Vesuvius Australia Pty Ltd.	-	-	-	-	2	38	-	-
Vesuvius Canada. Inc.	-	115	-	-	-	62	-	-
Vesuvius Inc. (Cleveland Foundry)	-	2	-	-	-	8	-	-
Vesuvius Refractory India Private Limited	-	-	-	248	-	-	-	206
Vesuvius Vietnam Co. Ltd	785	-	-	-	795	-	-	-
Vesuvius Mulheim GMBH, Germany	-	22	-	-	-	11	-	-
Vesuvius Zyarock Ceramics (Suzhou) Co Ltd.	-	1	-	-	-	-	-	-
Vesuvius LLC, Moscow	29	-	-	-	-	-	-	-
Vesuvius Management Services Ltd	-	-	-	2,037	-	-	-	1,369
<b>Total</b>	<b>5,818</b>	<b>8,682</b>	<b>789</b>	<b>3,843</b>	<b>4,587</b>	<b>5,652</b>	<b>789</b>	<b>2,766</b>

Remuneration to Key Management Personnel	For the year ended December 31, 2021	For the year ended December 31, 2020
<b>Short-term employee benefits *</b>	<b>392</b>	<b>229</b>
Post-employment benefits	21	20
Other long-term employee benefits	-	5
Termination benefits	-	78
Share-based payment	15	37
	<b>428</b>	<b>369</b>

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



(Amount in Rupees Lakhs, unless stated otherwise)

**C. Balances outstanding**

Name of the entity	As at December 31, 2021		As at December 31, 2020	
	Receivable	Payable	Receivable	Payable
<b>Immediate Holding Company:</b>				
Vesuvius Group Limited, United Kingdom	-	-	-	51
<b>Fellow Subsidiaries:</b>				
Foseco (Thailand) Limited, Thailand	-	-	29	-
Foseco India Limited, India	-	-	19	11
Pt. Foseco Indonesia, Indonesia	21	-	3	-
Sert Metal SAS, France	-	127	-	12
Vesuvius (Thailand) Co. Ltd, Thailand	26	-	1	-
Vesuvius Advanced Ceramics (China) Co. Ltd., China	-	39	-	5
Vesuvius Belgium N.V. Belgium	-	38	-	15
Vesuvius Crucible Company, USA	-	237	-	244
Vesuvius GmbH, Germany	-	3	15	11
Vesuvius Mulheim GMBH, Germany	129	-	-	-
Vesuvius Group S.A., Belgium	-	118	-	118
Vesuvius Italia S.P.A., Italy	-	2	-	2
Vesuvius Malaysia SDN. BHD, Malaysia	49	-	25	12
Vesuvius Mexico S.A. de C.V., Mexico	-	58	3	52
Vesuvius Poland Spółka z.o.o, Poland	-	31	-	116
Vesuvius Slavia A.S., Czech Republic	-	-	-	10
Vesuvius South Africa (Pty) Limited, South Africa	45	-	39	-
Vesuvius UK Limited, United Kingdom	94	41	14	10
Vesuvius USA Corporation, USA	101	124	30	24
Wuhan Wugang Vesuvius Advanced Ceramics Co., Ltd, China	-	-	-	961
Yingkou Bayuquan Refractories Co., Ltd, China	-	-	-	3
Vesuvius Refratários Ltda, Brasil	-	11	2	17
Vesuvius Canada. Inc.	-	5	-	4
Vesuvius PLC.	8	-	-	-
Vesuvius Vietnam Co. Ltd	45	-	127	-
Vesuvius Refractory India Private Limited	-	40	23	29
Vesuvius Management Services Ltd	-	-	-	5
<b>Total</b>	<b>518</b>	<b>874</b>	<b>330</b>	<b>1,712</b>

**40. Fair value measurements****Financial instruments by category**

Particulars	As at December 31, 2021	As at December 31, 2020
	Amortised cost	Amortised cost
<b>Financial assets</b>		
Trade receivables - Non Current	447	447
Loans - Non Current	109	93
Other financial assets - Non Current	218	223
Trade receivables - Current	16,397	16,339
Cash and cash equivalents	2,608	5,245
Bank balances other than above	52,786	50,682
Loans - Current	35	37
Other financial assets - Current	499	319
<b>Total financial assets</b>	<b>73,099</b>	<b>73,385</b>
<b>Financial liabilities</b>		
Trade payables	22,268	15,745
Other financial liabilities	2,218	1,259
<b>Total financial liabilities</b>	<b>24,486</b>	<b>17,004</b>

## Notes forming part of Financial Statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

### (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
<b>As at December 31, 2021</b>		
<b>Financial assets</b>		
<b>Loans</b>		
Loans to employees	109	109
Security deposits	218	218
<b>Total financial assets</b>	<b>327</b>	<b>327</b>
<b>As at December 31, 2020</b>		
<b>Financial assets</b>		
<b>Loans</b>		
Loans to employees	93	93
Security deposits	223	223
<b>Total financial assets</b>	<b>316</b>	<b>316</b>

#### 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.

#### 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, 2021		As at December 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Loans to employees	109	109	93	93
Security deposits	218	218	223	223
<b>Total financial assets</b>	<b>327</b>	<b>327</b>	<b>316</b>	<b>316</b>

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.

(Amount in Rupees Lakhs, unless stated otherwise)

### 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. 17,705 as at December 31, 2021 (December 31, 2020 : Rs. 17,458), being the total of the carrying amount of financial assets.

#### 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	As at December 31, 2021	As at December 31, 2020
Balance at the beginning of the year	871	914
Additions during the year	-	-
Reversals during the year	(8)	(43)
<b>Balance at the end of the year</b>	<b>863</b>	<b>871</b>

### (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.

## Notes forming part of Financial Statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

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
<b>As at December 31, 2021</b>		
<b>Trade receivables</b>		
USD	15	1,010
EURO	7	544
GBP	-	8
<b>Trade payables</b>		
USD	13	961
EURO	2	177
GBP	11	789
<b>As at December 31, 2020</b>		
<b>Trade receivables</b>		
USD	14	980
EURO	5	432
<b>Trade payables</b>		
USD	40	2,902
EURO	3	277
GBP	1	52

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. 37 (December 31, 2020 : Rs. 182).

#### (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.

(Amount in Rupees Lakhs, unless stated otherwise)

#### 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	For the year ended December 31, 2021	For the year ended December 31, 2020
<b>(a) Income tax expense</b>		
Current tax		
Current tax on profits for the year	2,555	2,060
<b>Total current tax expense</b>	<b>2,555</b>	<b>2,060</b>
Deferred tax		
Decrease (increase) in deferred tax assets	(160)	(145)
(Decrease) increase in deferred tax liabilities	(22)	(115)
<b>Total deferred tax expense</b>	<b>(182)</b>	<b>(260)</b>
<b>Income tax expense</b>	<b>2,373</b>	<b>1,800</b>

Particulars	For the year ended December 31, 2021	For the year ended December 31, 2020
<b>Current tax expense recognised in profit or loss</b>		
Current tax on profits for the year	2,555	2,060
<b>Total current tax expense (A)</b>	<b>2,555</b>	<b>2,060</b>
<b>Deferred tax expense recognised in profit or loss</b>		
Deferred taxes	(204)	(210)
<b>Total deferred tax expense recognised in profit or loss (B)</b>	<b>(204)</b>	<b>(210)</b>
<b>Deferred tax expense recognised in Other comprehensive income</b>		
Deferred taxes	22	(50)
<b>Total deferred tax expense recognised in Other comprehensive income (C)</b>	<b>22</b>	<b>(50)</b>
<b>Total deferred tax for the year (B+C)</b>	<b>(182)</b>	<b>(260)</b>
<b>Total income tax expense recognised in profit or loss (A+B)</b>	<b>2,351</b>	<b>1,850</b>
<b>Total income tax expense recognised in Other comprehensive income (C)</b>	<b>22</b>	<b>(50)</b>
<b>Total income tax expense (A+B+C)</b>	<b>2,373</b>	<b>1,800</b>

#### Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	For the year ended December 31, 2021	For the year ended December 31, 2020
<b>Profit before tax</b>	<b>9,156</b>	<b>7,155</b>
<b>Tax at the Indian tax rate of 25.168% (December 31, 2020 : 25.168%)</b>	<b>2,304</b>	<b>1,801</b>
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income</b>		
Corporate social responsibility expenditure	54	41
Others	(7)	8
<b>Income tax expense</b>	<b>2,351</b>	<b>1,850</b>

## Notes forming part of Financial Statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

### 44. Share Based Payments

Vesuvius Plc. (Ultimate Holding Company) grants stock awards to certain employees of the Company under its stock incentive plan, which entitle the holder to receive equity instruments of the Ultimate Holding Company. These stocks will vest on the second anniversary of the date of grant, unless business conditions justify deferring it, and provided that the employee is still actively employed by a Vesuvius company. The vested shares are exercisable for a period of 10 years beginning with the Grant Date. The plan is regarded as equity settled as per Ind AS 102- Share Based Payment.

The movement of the stock award is as follows: Opening balance - 11643, Granted during the year - 3087, Dividend Shares during the year - 389, Exercised during the year - 9343, forfeited during the year - 1136, Closing balance as at December 31, 2021 - 4640. The employees are not required to make any payment hence Average exercise price per share award is NIL.

Weighted average remaining contractual life of award outstanding at end of the period is 302 days.

The fair value at grant date of award granted during the year was GBP 5.369 per award, determined using the closing midmarket price on the day preceding the date of grant. Total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expense is Rs. 55.18 Lakhs.

### 45. 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. 602 (December 31, 2020 : Rs. 555).

#### (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
<b>January 1, 2020</b>	<b>2,300</b>	<b>895</b>	<b>1,405</b>
Current service cost	185	-	185
Interest expense/(income)	158	67	91
<b>Total amount recognised in profit or loss</b>	<b>343</b>	<b>67</b>	<b>276</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(9)	9
Actuarial (gain)/loss from change in financial assumptions	197	-	197
Actuarial (gain)/loss from unexpected experience	(7)	-	(7)
<b>Total amount recognised in other comprehensive income</b>	<b>190</b>	<b>(9)</b>	<b>199</b>
Employer contributions / premium paid	-	109	(109)
Benefit payments	(162)	(162)	-
<b>December 31, 2020</b>	<b>2,671</b>	<b>900</b>	<b>1,771</b>

(Amount in Rupees Lakhs, unless stated otherwise)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>January 1, 2021</b>	<b>2,671</b>	<b>900</b>	<b>1,771</b>
Current service cost	204	-	204
Interest expense/(income)	165	60	105
<b>Total amount recognised in profit or loss</b>	<b>369</b>	<b>60</b>	<b>309</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	3	(3)
Actuarial (gain)/loss from change in demographic assumptions	(12)	-	(12)
Actuarial (gain)/loss from change in financial assumptions	(101)	-	(101)
Actuarial (gain)/loss from unexpected experience	28	-	28
<b>Total amount recognised in other comprehensive income</b>	<b>(85)</b>	<b>3</b>	<b>(88)</b>
Employer contributions/ premium paid		104	(104)
Benefit payments	(106)	(106)	-
<b>December 31, 2021</b>	<b>2,849</b>	<b>961</b>	<b>1,888</b>

### Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	December 31, 2021	December 31, 2020
Discount rate	6.60%	6.25%
Salary growth rate	8.00%	8.00%
Attrition rate	<b>Ages Upto 40 : 10% Thereafter: 2%</b>	Ages Upto 40 : 6.20% Ages from 40-54: 1.80% Ages from 55-60: 2.20%
Mortality rate	<b>Indian Assured Lives Mortality (2006-08) (Modified) Ult</b>	Indian Assured Lives Mortality (2006-08) (Modified) Ult

Assumptions regarding future mortality for gratuity is 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, 2021		December 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%) % change compared to base due to sensitivity	(135)	146	(133)	145
Salary growth rate (-/+ 0.5%) % change compared to base due to sensitivity	144	(134)	142	(134)

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.

## Notes forming part of Financial Statements (Contd.)

(Amount in Rupees Lakhs, unless stated otherwise)

### 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.

#### 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, 2022 : Rs. 213.

The weighted average duration of the defined benefit obligation (gratuity) is 11 years for December 31, 2021. The expected maturity analysis of undiscounted gratuity is as follows:

	December 31, 2021	December 31, 2020
Year 1	137	78
Year 2	134	169
Year 3	154	129
Year 4	185	147
Year 5	389	178
Year 6 to 11	1866	1634

### (iii) Major categories of plan assets are as follows :

	Nature	December 31, 2021	December 31, 2020
- Funded with SBI life insurance co. ltd.	Quoted	94%	91%
- Funded with Life insurance corporation of India.	Unquoted	6%	9%

### 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.



(Amount in Rupees Lakhs, unless stated otherwise)

- 46** Provisions for taxation has been recognised with reference to profit for the year ended December 31, 2021, in accordance with the provisions of Income-tax Act, 1961 and rules framed thereunder. The ultimate tax liability for the year 2021-22 will be mainly determined on the basis of total taxable income for the period ending December 31, 2021.
- 47** 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.

**48 Corporate social responsibility expenditure**

Particulars	December 31, 2021	December 31, 2020
<b>Amount required to be spent as per Section 135 of the Act</b>	<b>230</b>	274
<b>Amount spent during the year on</b>		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	<b>214</b>	163
<b>Total</b>	<b>214</b>	163

**Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects**

Revenue expenditure charged to the Statement of Profit and Loss in respect of CSR activities undertaken during the year is Rs. 214 lakhs which has been paid in cash. Unspent amount of Rs. 16 lakhs as on December 31, 2021 has been subsequently paid to designated CSR fund.

- 49.** The Company has assessed the possible 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 statements for the year ended 31st December 2021. The Company continues to monitor the future economic conditions.

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 24, 2022

**Nitin Jain**

Managing Director

DIN: 07934566

**Sivasis Sen**

Chief Financial Officer

Place: Kolkata

Date: February 24, 2022

**Biswadip Gupta**

Chairman

DIN : 00048258

**Vikram Singh**

Company Secretary

## Five Years at a Glance

(Amount in Rupees Lakhs, unless stated otherwise)

	For the years ended on				
	31.12.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017
<b>STATEMENT OF PROFIT &amp; LOSS</b>					
Sales	104,716	79,151	88,704	92,507	94,952
Other Income	1,966	2,098	2,923	2,277	1,322
<b>Total Revenue</b>	<b>106,682</b>	<b>81,249</b>	<b>91,627</b>	<b>94,784</b>	<b>96,274</b>
Expenditure	94,792	71,470	76,631	77,766	78,805
<b>PBIDT</b>	<b>11,890</b>	<b>9,779</b>	<b>14,996</b>	<b>17,018</b>	<b>17,469</b>
Depreciation & Amortisation	2,734	2,624	2,655	2,781	2,978
Finance Cost	0	0	0	0	0
<b>PBT</b>	<b>9,156</b>	<b>7,155</b>	<b>12,341</b>	<b>14,237</b>	<b>14,491</b>
<b>PAT</b>	<b>6,805</b>	<b>5,305</b>	<b>8,555</b>	<b>9,252</b>	<b>9,445</b>
<b>BALANCE SHEET</b>					
<b>Assets Employed</b>					
Fixed Assets	14,305	14,116	15,165	14,682	15,118
Working Capital:					
Current Assets	97,847	86,436	78,112	74,029	67,277
Less : Current Liabilities	26,813	19,382	15,883	17,515	18,062
<b>Working Capital Employed</b>	<b>71,034</b>	<b>67,054</b>	<b>62,229</b>	<b>56,514</b>	<b>49,215</b>
Non-Current Assets	6,676	5,243	4,837	3,830	3,006
<b>Total Assets Employed</b>	<b>92,015</b>	<b>86,413</b>	<b>82,231</b>	<b>75,026</b>	<b>67,339</b>
<b>Financed By :</b>					
<b>Shareholders' Funds</b>					
Share Capital	2,030	2,030	2,030	2,030	2,030
Reserves & Surplus	87,600	82,150	78,415	71,749	64,061
<b>Total of Shareholders' Funds</b>	<b>89,630</b>	<b>84,180</b>	<b>80,445</b>	<b>73,779</b>	<b>66,091</b>
Non-Current Liabilities	2,385	2,233	1,786	1,247	1,248
<b>Total Funds Employed</b>	<b>92,015</b>	<b>86,413</b>	<b>82,231</b>	<b>75,026</b>	<b>67,339</b>
<b>OTHER INFORMATION</b>					
Dividend (Rs. Lakhs)	1,624	1,421	1,421	1,421	1,370
Rate of Dividend (Rs. per Share)	8.00	7.00	7.00	7.00	6.75
Number of Shareholders (nos)	15306	13,835	13,180	12,798	12,935
Number of Employees (nos)	459	446	457	439	450
Earnings per share (EPS) (Rs.)	33.53	26.13	42.15	45.59	46.54

