VESUVIUS

SEC/SEBI/77

April 12, 2018

The Secretary
BSE Ltd
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

Scrip code : 520113

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

Dear Sir

Regulation 34 of the SEBI-LODR, 2015

Pursuant to the provisions of regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we submit the Annual Report of the Company relating to the Financial Year ended on December 31, 2017 which has been approved and adopted at the Annual General Meeting held at Kolkata on Tuesday, April 10, 2018. The Annual Report contains the following :

1. Notice dated February 16, 2018 (pages 5 to 13) convening the Annual General Meeting
2. Directors Report and Management Discussion and Analysis Report together with annexures including Business Responsibility Report (pages 14 to 57)
3. Certificate on Corporate Governance by Practicing Company Secretary (page 36)
4. Secretarial Audit Report (pages 37 to 39)
5. Statutory Auditors Report (pages 58 to 63)
6. Audited Financial statements for the Financial year ended on December 31, 2017 and annexures thereto (pages 64 to 103)

The Financial Year of the Company ends on 31st December of each year as approved by the Company Law Board.

Yours faithfully
Vesuvius India Limited

Taposh Roy
Company Secretary

Enclo :

VESUVIUS

Vesuvius is a Global leader in molten metal flow engineering

Vesuvius India Limited Annual Report 2017

"Our people and our values, together with a renewed entrepreneurial and result oriented culture, will be key to the long term success of Vesuvius"

Patrick Andre
Chief Executive, Vesuvius plc

VESUVIUS

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Board of Directors

Key to Committee membership

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- N Nomination & Remuneration Committee
- C Corporate Social Responsibility Committee
- S Share Transfer and Stakeholders Grievance & Relationship Committee
- Committee Chairman

1. Biswadip Gupta, Chairman

Appointed as Independent Director: May 7, 2015

Career experience: Mr Biswadip Gupta is a BE (Metallurgy) and MBA and has over 44 years' experience in the steel and refractory industry. He is associated with the Vesuvius Group since 1979 and was instrumental in setting up the Indian operations. He was formerly President of Bengal Chamber of Commerce and Industry, Deputy Chairman of the Indian Refractory Makers Association and Chairman of CII (Eastern Region). He became a Director of the Company in September 1991 and was Managing Director from February 1992 to April 2007. He is a non-executive Director of the Company from April 2007, Chairman since July 27, 2013 and was appointed Independent Director for five years from May 7, 2015.

Other appointments: He is presently a Director of Descon Ltd, JSW Bengal Steel Ltd, JSW Cement Ltd, Nicco Engineering Services Ltd, Nicco Ventures Limited and other companies and CEO & Trustee of JSW Foundation.

2. Patrick Georges Felix Andre

Appointed Director: August 8, 2016

Vesuvius Group representation: Chief Executive of Vesuvius plc

Mr Patrick Georges Felix Andre, a French National, is an Engineer and has over 30 years experience with international organisations like Saint-Gobain in Philadelphia (USA), the French Ministry of International Trade and Industry, Eramet (International Mining and Metals Group) and Lhoist Group. Mr Andre joined Vesuvius in February 2016 as President - Flow Control and has been appointed a Director of the Company effective from August 8, 2016. He is not a Director of any other company in India. He became the CE of Vesuvius plc effective from September 1, 2017.

Other appointments: He is Chief Executive of Vesuvius plc, UK, the ultimate holding company.

3. Nayantara Palchoudhuri (Miss)

Appointed as Independent Director: March 27, 2015

Career experience: Miss Nayantara Palchoudhuri is a fourth generation Tea Planter with more than 22 years experience in the successful operations and management of the tea estates in North Bengal. She is a B.A. (Hons) in Political Science from University of Jadavpur with a First Class First and was awarded the University Gold Medal and the National Scholarship; an M.A. in Development Studies from the School of Oriental and African Studies - SOAS - (University of London) and M.Phil (Research Degree) from the London School Of Economics & Political Science where she was awarded the Metcalfe Scholarship. She was appointed as an Independent Director for 5 years effective from March 27, 2015.

Other appointments: She is presently serving as the Honorary Consul for Norway and as President of the Indo British Scholars Association. She is a General Committee Member of Tollygunge Club Limited, a Wholetime Director of Washabarie Tea Co Ltd and Non-Executive Director in West Bengal Tea Development Corporation Ltd, Rossel India Limited, Ludlow Jute & Specialties Limited, JSW Bengal Steel Limited, Amba River Coke Limited, Tide Water Oil Co (India) Ltd and a Partner of Mohurgong Gulma Tea Estates and is also associated with Tea Research Association, FICCI and other associations.

4. Tanmay Kumar Ganguly

Appointed Director: May 7, 2015

Vesuvius Group representation: President-Advanced Refractories

Career experience: Mr Tanmay Kumar Ganguly is a Chartered Accountant and has over 30 years' experience in chemicals, FMCG and refractory industry. He is presently President - Advanced Refractories of the Vesuvius Group and is based in United Kingdom. He previously worked in the Company as Controller from 1996 to 1999 and rejoined in 2006 as Chief Operating Officer and then became Managing Director from April 2007 to December 2014. The Board of Directors appointed him a Director from May 7, 2015 which was approved at Annual General Meeting held on May 4, 2016.

Other appointments: He is President Vesuvius (Thailand) Co Ltd, Thailand.

5. Subrata Roy

Appointed Managing Director : January 1, 2015

Career experience: Mr Subrata Roy is a Mechanical Engineer from Jadavpur University, Kolkata, and worked with Bharat Heavy Electricals Ltd. for five years prior to joining Vesuvius India in September, 1993. Since then Mr Roy had numerous roles within the Company including responsibilities of Engineering Manager of the Kolkata Plant, Slidegates Product Line Manager for Asia Pacific, Business Manager-Slide Gates & Purge Plugs, General Manager-Flow Control Sales and then Chief Executive-Operations before being appointed as Managing Director effective from January 1, 2015. He was an integral part of the team which set up the Company's first factory at Kolkata and he had also supervised the construction of the Company's second factory at Visakhapatnam. He has over 30 years of experience.

Other appointments: He is a Member of the Main Committee of The Bengal Chamber of Commerce & Industry.

6. Sudipto Sarkar

Appointed as Independent Director: April 29, 2014

Career experience: Mr Sudipto Sarkar is a renowned Barrister and holds B.Sc. (Maths-Hons) from Presidency College, Kolkata; BA (Law Tripos) from Jesus College, Cambridge, UK; LLM, (International Law) from Jesus College, Cambridge, UK; M.A. (Law) from Jesus College, Cambridge, UK. He is also Barrister, Gray's Inn, London and Associate Member, 6 Pump Court, Temple, London. He is presently practicing as a Senior Advocate. He was formerly President of The Bengal Club and a Director of Bombay Stock Exchange Limited. He became a Director of the Company in July 2005 and has been appointed Independent Director effective from April 29, 2014.

Other appointments: He is presently a Director of EIH Associated Hotels Ltd, EIH Limited, Eveready Industries Ltd and Triveni Engineering & Industries Ltd.

VESUVIUS

Board of Directors
(as on February 16, 2018)

Biswadip Gupta, *Chairman*
Subrata Roy, *Managing Director*
Patrick Georges Felix Andre
Tanmay Kumar Ganguly
Nayantara Palchoudhuri (Miss)
Sudipto Sarkar

Board Committees

Audit Committee

Biswadip Gupta, *Chairman*
Tanmay Kumar Ganguly
Nayantara Palchoudhuri (Miss)
Sudipto Sarkar

Corporate Social Responsibility Committee

Biswadip Gupta, *Chairman*
Tanmay Kumar Ganguly
Nayantara Palchoudhuri (Miss)
Subrata Roy
Sudipto Sarkar

Nomination and Remuneration Committee

Sudipto Sarkar, *Chairman*
Biswadip Gupta
Tanmay Kumar Ganguly
Nayantara Palchoudhuri (Miss)

Share Transfer and Stakeholders Grievance & Relationship Committee

Biswadip Gupta, *Chairman*
Tanmay Kumar Ganguly
Nayantara Palchoudhuri (Miss)
Subrata Roy
Sudipto Sarkar

Key Managerial Personnel

Subrata Roy, *Managing Director*

Sanjoy Dutta, *Chief Financial Officer*

Taposh Roy, *Company Secretary*
Email : Taposh.Roy@vesuvius.com

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)

Secretarial Auditors

Anjan Kumar Roy & Co.
DPS Business Centre, 9A Sebak Baidya Street
Kolkata 700 029

Bankers

Axis Bank Limited
Hongkong Bank
State Bank of India

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 / 6711 / 6718 / 6729
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) 30410600
Fax : (033) 2401 3976
Email : vesuviusindia@vesuvius.com
Website : www.vesuviusindia.com
CIN : L26933WB1991PLC052968
ISIN No : INE386A01015

Kolkata Factory

P-104 Taratala Road
Kolkata 700 088
Tel : (033) 30410600
Fax : (033) 2401 3976
Email : Rana.Dey@vesuvius.com

Visakhapatnam Factories

(a) First factory
Plot No. 13, 14 & 15, Block "E"
IDA Autonagar, Visakhapatnam 530 012
Tel : (0891) 3011300; 3011337
Fax : (0891) 2587511
Email : Achintya.Chandra@vesuvius.com

(b) Second factory
Survey No 90 & 98, Part, Block G,
Industrial Park, Fakirtakya Village
Autonagar, Visakhapatnam 530 049
Tel : (0891) 3983715
Fax : (0891) 3983708
Email : Achintya.Chandra@vesuvius.com

Mehsana Factory

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

VESUVIUS

VESUVIUS INDIA LIMITED

Registered Office : P-104 Taratala Road, Kolkata 700 088
CIN No.: L26933WB1991PLC052968
Phone : (033) 30410600 Fax : (033) 2401 3976
Email : vesuviusindia@vesuvius.com Website : www.vesuviusindia.com

NOTICE OF ANNUAL GENERAL MEETING

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

Notice is hereby given that the twenty-seventh Annual General Meeting of the Members of Vesuvius India Limited will be held at G D Birla Sabhaghar, 29, Ashutosh Chowdhury Avenue, Kolkata 700019 on Tuesday, April 10, 2018 at 10.30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of Vesuvius India Limited for the year ended on December 31, 2017, and the Reports of the Directors and Auditors thereon and to pass the following resolution as an **Ordinary Resolution :**

   "RESOLVED that the Statement of Profit and Loss for the year ended on December 31, 2017, the Balance Sheet as on that date and annexures thereto, the Cash Flow Statement for the year ended on December 31, 2017, the Reports of Auditors and Directors thereon be and are hereby received and adopted."

2. To declare dividend for the year ended on December 31, 2017 and to pass the following resolution as an **Ordinary Resolution :**

   "RESOLVED that pursuant to the recommendation of the Directors, dividend at the rate of Rs 6.75/- per Equity Share of nominal value Rs 10/- each, out of the current profits of the Company for the year ended on December 31, 2017 on 2,02,96,080 (Two crores, two lakhs ninety six thousand and eighty) Equity Shares of the Company, be and is hereby declared and that the same be paid to those Members whose names appear on the Company's Register of Members and in the Register of Beneficial Owners maintained by the Depositories as on the Record Date which is April 3, 2018."

3. To reappoint Mr Tanmay Kumar Ganguly as a Director of the Company, who retires by rotation and being eligible, offers himself for reappointment and to pass the following resolution as an **Ordinary Resolution :**

   "RESOLVED that Mr Tanmay Kumar Ganguly (DIN No. 01272338), 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 a Director of the Company."

4. To ratify the appointment of Auditors of the Company and to fix their remuneration and, in this connection, to pass the following resolution as an **Ordinary Resolution :**

   "RESOLVED that, pursuant to the provisions of Section 139 of the Companies Act, 2013, the appointment of 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) as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the twenty-eighth Annual General Meeting of the Company at a remuneration and on terms plus out-of-pocket expenses as may be determined by the Board of Directors of the Company which was approved by the Members at the twenty-sixth Annual General Meeting of the Company held on May 12, 2017, be and is hereby ratified."

SPECIAL BUSINESS

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

   "RESOLVED that pursuant to the provisions of sections 152, 160 and all other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereon, Mr Patrick Georges Felix Andre (DIN No. 07619754), in respect of whom the Company has received from a Member a notice in writing pursuant to

NOTICE OF ANNUAL GENERAL MEETING *(Contd.)*

the requirements of section 160 of the Act proposing his candidature for appointment as a Director, be and is hereby appointed as a Director of the Company and he shall not be liable to retire by rotation."

Explanatory Statement : Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under Item No. 5 of the Notice is annexed and forms a part of this Notice.

Record Date : Notice is also given under section 91 of the Companies Act, 2013 read with regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI-LODR") that the **Record Date** will be **April 3, 2018** to determine those Members who will be entitled to receive dividend which will be declared at the Annual General Meeting.

Cut Off Date : Notice is also given that the **Cut Off Date** will be **April 3, 2018** to determine the Members entitled to undertake voting electronically on the business and all resolutions set forth in this Notice by remote e-Voting and also by voting at the meeting venue.

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

Route Map : A route map showing the way to the venue of the Annual General Meeting is attached to this Notice.

Proxy : A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of self and such proxy need not be a Member of the Company. Proxies, in order to be effective, must be completely filled in with date, signature, properly stamped and the stamp properly cancelled and must be received by the Company at the registered office not later than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more that 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder. ***The Proxy-holder shall prove his identity at the time of attending the meeting. Proxies are requested to carry a photo-identification to the venue of the Annual General Meeting.***

By Order of the Board of Directors
Vesuvius India Limited
Taposh Roy
Company Secretary

Registered Office :
P-104 Taratala Road
Kolkata 700 088
February 16, 2018

Notes forming part of the Notice to Members :

1. IMPORTANT DATES FOR MEMBERS

ANNUAL GENERAL MEETING : Annual General Meeting will be held on **Tuesday, April 10, 2018 at 10.30 a.m.** at G D Birla Sabhaghar, 29, Ashutosh Chowdhury Avenue, Kolkata 700019.

RECORD DATE : Record Date will be **April 3, 2018** to determine those Members who will be entitled to receive dividend which will be declared at the Annual General Meeting.

CUT OFF DATE : Cut Off Date will be **April 3, 2018** to determine the Members entitled to undertake voting electronically on the business and all resolutions set forth in this Notice by remote e-Voting and also by voting at the meeting venue.

REMOTE ELECTRONIC VOTING PERIOD will be from **9.00 a.m. on April 6, 2018 to 5.00 p.m. on April 9, 2018**, both days inclusive. Remote e-Voting will be blocked after 5.00 p.m. on April 9, 2018.

VOTING FACILITY will also be provided at the venue of the Annual General Meeting on April 10, 2018 to those Members who are eligible to vote but who have not cast their votes through remote e-Voting and who are present at the venue of the Annual General Meeting.

2. **DIVIDEND :** Dividend to be declared at this meeting, will, subject to the provisions of section 126 of the Companies Act, 2013, be deposited with the Bank within April 16, 2018 and dividend will be paid within April 21, 2018 to those Members or to their mandates, whose names appear as on the Record Date of April 3, 2018 in the Register of Members maintained by the Company or in the Register of Beneficial Owners furnished by the National Securities Depository Ltd. and Central Depository Services (India) Ltd., for this purpose. Dividend Tax will be paid by the Company pursuant to section 115O of the Income Tax Act, 1961.

3. **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. **In compliance with these regulations, payment of dividend will be made only by electronic mode directly into the bank account of Members and no dividend warrants or demand drafts will be issued without bank particulars.**

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

4. **UNCLAIMED DIVIDEND :** Notices have been sent to all Shareholders concerned on January 30, 2018 informing them that their dividend remains unclaimed and the procedure to obtain payment of these unclaimed dividend. Details of dividend unclaimed by Members for the past years which have not yet been transferred to the Central Government have been uploaded on the Company's website **www.vesuviusindia.com.** Members are encouraged to view the lists and lodge their claim with our Registrars & Share Transfer Agents for dividend which have remained unclaimed.

5. **TRANSFER OF UNCLAIMED DIVIDEND TO IEPF :** Dividend for the year ended on December 31, 2010 which was declared at the Annual General Meeting held on April 19, 2011 and remaining unclaimed will be transferred to the Investor Education and Protection Fund of the Central Government in May, 2018 pursuant to the provisions of sections 124 of the Companies Act, 2013. Members are requested to lodge their claims with the Registrars & Share Transfer Agents immediately. Reminder letters will be sent to the Shareholders concerned on January 30, 2018.

6. **TRANSFER OF SHARES TO IEPF :**

a) Shares, in respect of which dividend for the year ended December 31, 2009 has been transferred to the Investor Education and Protection Fund ("IEPF") of the Central Government, have been transferred to IEPF in November, 2017 pursuant to Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules") read with section 124 of the Companies Act, 2013. Details of these shares are available in the Company's website and can be viewed at http://www.vesuviusindia.com/view/viewdividendhistory.aspx

b) Shares, in respect of which dividend for the year ended December 31, 2010 will be transferred to the IEPF, will be transferred to IEPF in May 2018 pursuant to Rule 6 of the Rules read with section 124 of the Companies Act, 2013. Individual notices will be sent to the Shareholders concerned in February 2018, requesting them to encash their unclaimed dividends failing which the corresponding shares will be transferred to IEPF. An Advertisement will also be published in the newspapers. The list of Shareholders and the corresponding shares are available on the Company's website.

7. **ISIN No :** The shares of the Company are tradable compulsorily in electronic form. **The ISIN number allotted is INE386A01015.** In view of the numerous advantages offered by the depository system, Members are requested to avail of the facility of dematerialization of the Company's shares.

8. **NOMINATION :** Pursuant to the provisions of section 72 of the Companies Act, 2013, Members, who hold shares in physical form, are informed that they may nominate at any time, in the prescribed manner, a person to whom their shares in the Company shall vest in the event of their death. Nomination Form SH-13 is available on the website of the Company at **www.vesuviusindia.com** under the heading "Investor Information" and "Download Forms".

9. **WEBSITE :** The Company's website is **www.vesuviusindia.com** Annual Reports of the Company, unclaimed dividend list, shares transferred to IEPF, standard downloadable forms and other Shareholder Communication are made available on the Company's website.

NOTICE OF ANNUAL GENERAL MEETING *(Contd.)*

10. **COMMUNICATION :** All Shareholder communication including notices, Annual Reports, quarterly unaudited financial results, etc., will be sent to the email addresses of Members registered with the Company and the Depository Participants. The Notice of the Annual General Meeting is being sent by electronic mode to those Members whose email addresses are registered with the Company and the Depository Participants unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by the permitted mode. These documents will also be made available on the Company's website **www.vesuviusindia.com** and will be open for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 4.00 pm on all working days upto the date of the Annual General Meeting.

11. **CORPORATE REPRESENTATION :** A Corporate Member shall be deemed to be personally present only if it is represented in accordance with Section 113 of the Companies Act, 2013 i.e. only if the Corporate Member sends a certified true copy of the resolution passed by the Board of Directors of the Company or a Power of Attorney authorizing the Representative to attend and vote at the meeting on behalf of the Corporate Member.

12. **REGISTRARS :** Members are requested to contact **M/s C B Management Services (P) Ltd, Registrars and Share Transfer Agents of the Company at P-22, Bondel Road, Kolkata 700 019 (Phone No 033-40116700; Email : rta@cbmsl.com) for recording any change of address, bank mandate, NECS, registration of Email ID,** share transfers/transmission or nominations regarding shares held by them in physical form and for redressal of complaints or contact Mr Taposh Roy, Company Secretary, at the Registered Office or by email at Taposh.Roy@vesuvius.com.

13. **ITEM No. 3 : REAPPOINTMENT OF MR TANMAY KUMAR GANGULY AS DIRECTOR**

Mr Tanmay Kumar Ganguly (DIN No. 01272338) is 54 years of age and a Chartered Accountant and has extensive experience in chemicals, refractory and FMCG industry. He started his career with Union Carbide India Ltd and has worked in ICI (India) Ltd, Hindustan Lever Limited, Pillsbury India as Chief Financial Officer, as Finance Director-Asia Pacific Region of General Mills (Pillsbury) then returned to India as President and CEO of General Mills India and Chief Operating Officer of Radhakrishna Foodland Pvt Ltd. He joined the Company in May 2006 as Chief Operating Officer and was Managing Director of the Company from April 18, 2007 to December 31, 2014. From January 1, 2015 he is the President-Advanced Refractories of the Vesuvius Group worldwide. He was appointed by the Board of Directors from May 7, 2015 as a Director of the Company in the casual vacancy caused by the resignation of Mr Yves M.C.M.G. Nokerman. Mr Ganguly was thereafter appointed a Director at the Annual General Meeting of the Company held on May 4, 2016. He retires by rotation at the ensuing Annual General Meeting. Mr Ganguly has given his consent to be a Director of the Company and has also declared that he is not disqualified to be a Director of the Company.

Mr Ganguly is not a Director of any Company in India or abroad. He is a member of the following Committees of the Company and in no other Committees in India :

Name of Company	Name of Committee	Nature of Membership
Vesuvius India Ltd	1. Audit Committee	Member
	2. Nomination and Remuneration Committee	Member
	3. Share Transfer and Stakeholders Grievance & Relationship Committee	Member
	4. Corporate Social Responsibility Committee	Member

Mr Ganguly does not hold any shares of the Company and is not related to any Director or Key Managerial Personnel of the Company. He will be liable to retire by rotation.

No Promoter, Director, Key Managerial Personnel or their relatives, other than Mr Tanmay Kumar Ganguly, is concerned or interested in the resolution.

The Board of Directors recommends the appointment of Mr Tanmay Kumar Ganguly as a Director of the Company.

14. INSTRUCTIONS FOR ELECTRONIC VOTING

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

I. **REMOTE ELECTRONIC VOTING :** Members holding shares either in physical form or in dematerialised form whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the **CUT OFF DATE which is April 3, 2018** will be entitled to electronically vote on the business and all resolutions set forth in this Notice during the **REMOTE E-VOTING PERIOD which is from 9.00 a.m. on April 6, 2018 upto 5.00 p.m. on April 9, 2018, both days inclusive.** Remote e-Voting shall not be allowed beyond 5.00 p.m. on April 9, 2018 and remote e-Voting facility will be blocked after 5.00 p.m. on April 9, 2018. Members who have cast their vote by remote e-Voting prior to the date of the Annual General Meeting may also attend the meeting but shall not be entitled to cast their vote again.

INSTRUCTIONS FOR REMOTE E-VOTING ARE AS UNDER :

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

i. Open the e-mail and also open PDF file namely "Vesuvius e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-Voting. Please note that the password is an initial password.

ii. Open the internet browser and type the following URL: **https://www.evoting.nsdl.com/**

iii. Click on **Shareholder – Login.**

iv. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.

v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.

vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both.

vii. Once the e-Voting home page opens, **click on e-Voting > Active Voting Cycles.**

viii. Select **"EVEN"** (E-Voting Event Number) of **Vesuvius India Limited.** Now you are ready for e-Voting as Cast Vote page opens.

ix. Cast your vote by selecting appropriate option and click on "Submit" and also **"Confirm"** when prompted.

x. Upon confirmation, the message **"Vote cast successfully"** will be displayed.

xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently or cast the vote again.

xii. Mr Anjan Kumar Roy, Proprietor of Anjan Kumar Roy & Co, Practising Company Secretaries (Membership No. F5684 and C.P. No 4557) of DPS, Corporate Club, 9A Sebak Baidya Street, Kolkata 700029 Phone : 9830201949; (033) 24750112 Email : akroyco@yahoo.co.in and anjanroy_2003@yahoo.co.in) has been appointed as the Scrutinizer to scrutinise the e-Voting process in a fair and transparent manner and to give his report to the Chairman.

xiii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail with a copy marked to **evoting@nsdl.co.in.**

NOTICE OF ANNUAL GENERAL MEETING *(Contd.)*

xiv. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) – for members and e-Voting user manual for members available at the downloads sections of **www.evoting.nsdl.com** or contact NSDL at the toll free Telephone no. 1800-222-990 or by email **evoting@nsdl.co.in.** You may also send your queries/ grievances relating to e-Voting to Mr. Rana Roy Choudhury, M/s. CB Management Services (P) Ltd. Tel. No. (033) 40116729, e-mail: **ranarc@cbmsl.co**

B. **In case a Member receives physical copy of the Notice (for Members whose email addresses are not registered with the Company/Depositories) :**

i. Initial password is provided in the Form: EVEN (E-Voting Event Number), user ID and password.

ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiv) above, in case you like to cast your vote through Remote e-Voting.

II. VOTING AT VENUE OF ANNUAL GENERAL MEETING ("AGM") : Members holding shares either in physical form or in dematerialised form whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the **CUT OFF DATE which is April 3, 2018** and who have not cast their votes electronically through remote e-Voting, will be entitled to vote on the business and all resolutions set forth in this Notice at the venue of the Annual General Meeting ("AGM"). Voting at the AGM venue will commence after the Chairman explains the procedure for Voting to be followed and formally announces the commencement of Voting at the AGM venue. Members will be informed of the procedure for Voting at the venue and will be assisted by representatives of the Registrars and Share Transfer Agents and supervised by the Scrutiniser. For Voting purposes ballot papers will be provided separately at the AGM venue only to the Member and where there are Joint holders, only to the first named Joint holder. Proxies will not be allowed to speak at the AGM. A proxy can vote only if the Member himself is not present at the meeting. Members who have cast their vote by remote e-Voting prior to the Annual General Meeting may attend the meeting but shall not be entitled to cast their vote again.

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

Persons who have acquired shares after the despatch of this Notice and become Members of the Company as on the Cut Off Date, may obtain the login ID and password by sending a request to NSDL by email at evoting@nsdl.co.in or to the Share Registrars by post or by email. However, Members already registered with NSDL for remote e-Voting can use their existing user ID and passwords for casting their votes electronically. If a Member has forgotten his password, he can reset his password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the toll free Telephone no. **1800-222-990**.

PLEASE NOTE THAT

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

15. Other Information :

a) The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company held by them as on the Cut Off Date.

b) Only those who are Members of the Company as on the Cut Off Date will be entitled to vote through remote e-Voting or voting at the venue of the meeting. A person who is not a Member of the Company as on the Cut Off Date but has received a copy of the Notice should treat the Notice for information only.

c) **A proxy can vote only if the Member himself is not present at the meeting. The Proxy-holder shall prove his identity at the time of attending the meeting. Proxies are requested to carry a photo-identification to the AGM venue.**

d) The Scrutiniser shall, within a period not exceeding three working days from the conclusion of the Annual General Meeting, make a report to the Chairman of the Company or in his absence to the Managing Director, of the votes cast in favour or against who shall then declare the results of e-Voting.

e) This Notice convening the Annual General Meeting is displayed in the website of the Company **www.vesuviusindia.com** and the website of NSDL, **www.nsdl.com**

f) The results of the e-Voting declared along with Scrutiniser's Report will be available on the website of the Company, **www.vesuviusindia.com**, and the website of NSDL, **www.nsdl.com** within two days of receiving the Scrutiniser's Report and communication of the same to the Stock Exchanges and will also be displayed on the notice board at the registered office of the Company.

g) The resolutions, if passed by a requisite majority, shall be deemed to be passed on the date of the Annual General Meeting.

h) The landmark and route map to the venue of the Annual General Meeting is attached and forms a part of this Notice.

i) Entry to the venue of the Annual General Meeting ("AGM") will be regulated by Attendance Slips. Members who have received Attendance Slips by electronic mode are requested to print the Attendance Slip. To attend the AGM, duly filled and signed Attendance Slips should be submitted at the registration counters at the AGM venue.

j) Documents pertaining to all the items of business to be transacted at the Annual General Meeting are open for inspection at the Registered Office of the Company during 11.00 a.m. to 4.00 p.m. on all working days upto and including the date of the Annual General Meeting.

Members are requested to bring their copies of the Annual Report and Attendance Slip to the Meeting. Please note that duplicate Attendance Slips will not be issued.

By Order of the Board of Directors
Vesuvius India Limited
Taposh Roy
Company Secretary

Registered Office :
P-104 Taratala Road
Kolkata 700 088
February 16, 2018

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

ITEM No. 5

Mr Patrick Georges Felix Andre (DIN No. 07619754), is 54 years of age, a French National and an Engineer and is presently the Chief Executive of Vesuvius plc, the ultimate holding company. Mr Andre joined the Vesuvius Group in February 2016 as President-Flow Control and was appointed a Director of the Company on August 8, 2016 by the Board of Directors in the casual vacancy caused by the resignation of Mr Christopher Abbott. He vacates his office at the ensuing Annual General Meeting and is proposed to be appointed a Director of the Company and not liable to retire by rotation. Mr Andre has given his consent to be a Director of the Company and has also declared that he is not disqualified to be a Director of the Company.

Mr Andre has over 30 years experience with international organisations like Saint-Gobain in Philadelphia (USA), the French Ministry of International Trade and Industry, Eramet (International Mining and Metals Group) and before joining Vesuvius he was CEO Europe and then Executive Vice-President of Strategic Growth as well as CEO Asia and CIS Africa of the Lhoist Group.

Mr Andre is a Director of Vesuvius India Limited and not a Director of any other Company in India or a member of any Committees in India. He does not hold any shares of the Company and is not related to any Director or Key Managerial Personnel of the Company.

No Director, Key Managerial Personnel or their relatives, other than Mr Patrick Georges Felix Andre, is concerned or interested in the resolution.

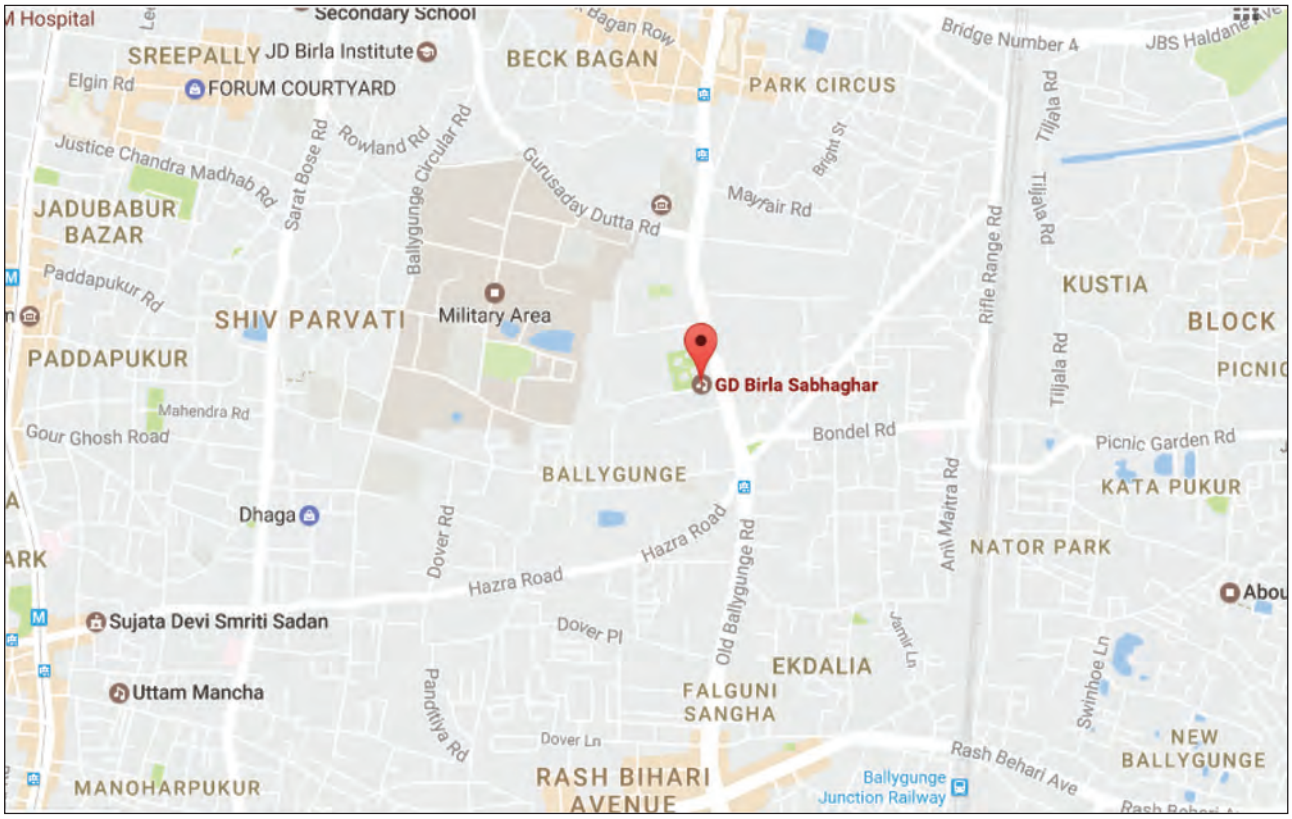
The Board of Directors recommends the appointment of Mr Patrick Georges Felix Andre as a Director of the Company.

By Order of the Board of Directors
Vesuvius India Limited
Taposh Roy
Company Secretary

Registered Office :
P-104 Taratala Road
Kolkata 700 088
February 16, 2018

ROUTE MAP

To Venue of Annual General Meeting at G D Birla Sabhaghar, 29 Ashutosh Choudhury Avenue, Kolkata 700019



REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

For The Year Ended On December 31, 2017

The Directors have pleasure in submitting their Annual Report together with the Audited Financial Statements for the year ended on December 31, 2017.

(Rs. Lakhs)

Financial Results :	**Year ended 31.12.2017**	Year ended 31.12.2016
Revenue from Operations	**94,952**	89,498
Other Income	**1,322**	1,299
Total Revenue	**96,274**	90,797
Profit before Depreciation, Interest & Tax (PBDIT)	**17,913**	16,349
Depreciation & Amortisation	**2,978**	2,745
Interest	**-**	-
Profit before exceptional items and Tax	**14,935**	13,604
Exceptional Items	**444**	-
Profit before tax	**14,491**	13,604
Provision for Income Tax	**5,046**	4,716
Profit for the year after Tax	**9,445**	8,888
Other comprehensive income for the year, net of tax	**54**	(177)
Total comprehensive income for the year	**9,499**	8,711
Proposed Dividend :		
Proposed Dividend @ Rs 6.75 per share	**1,370**	1,319
Basic & Diluted Earnings Per Share :	**Rs 46.54**	Rs 43.79

Financial Year of the Company

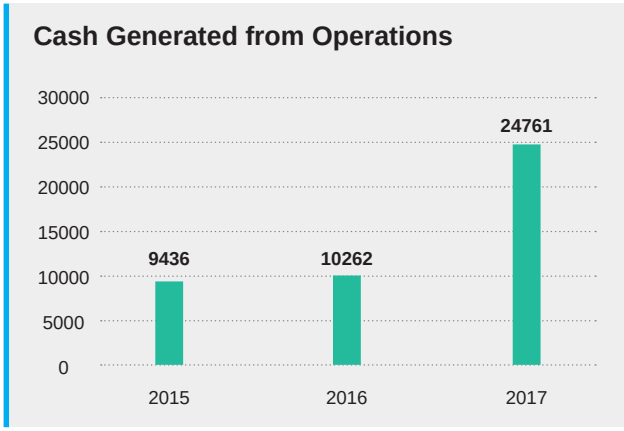
The Company Law Board by an Order dated January 7, 2016 has permitted the Company to have the Financial Year to end on 31st December of each year.

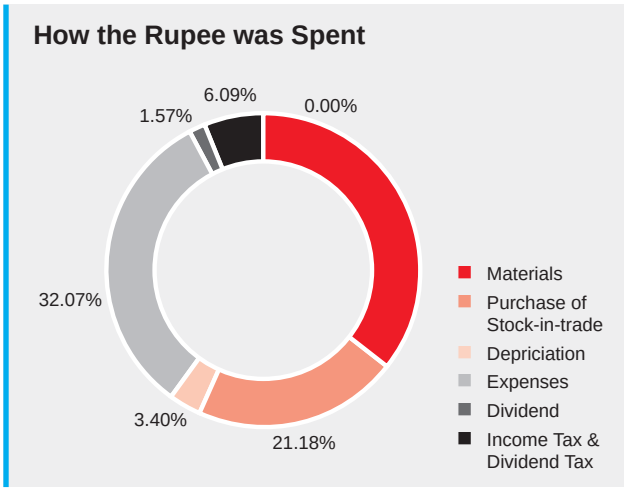
First year of implementation of Indian Accounting Standards

This is the first year of implementation of the Indian Accounting Standards. The financial statements for the year ended on December 31, 2017 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The financial statements for the year ended on December 31, 2016 have been restated in accordance with Ind AS for comparative information.

Operating & Financial Performance, Internal Control

India's steel production grew by about 6% from 95.6 million tons in 2016 to 101.4 million tons during 2017.





The Company has benefited from the domestic growth in production as well as from exports.

This year the Company's total revenue crossed the Rs 900 crores mark. Total revenue from operations increased over the previous year driven by both domestic and export business growth.

There is no change in the nature of the business of the Company. The Company has no subsidiaries or associated companies therefore disclosures in this regard are not provided in this 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 future.

All four factories had been working efficiently during the year. Safety measures and processes have been installed and improved upon at all plants and work sites.

Lending bankers had initiated insolvency proceedings under the Insolvency and Bankruptcy Code, 2016 against three of our customers. Our relationship with these customers, the specialised nature and criticality of our products and the continuous technical and technological support given to these customers ensured that business with them continued as usual. The Company was able to reduce its overall debts and the net receivables are under reasonable control.

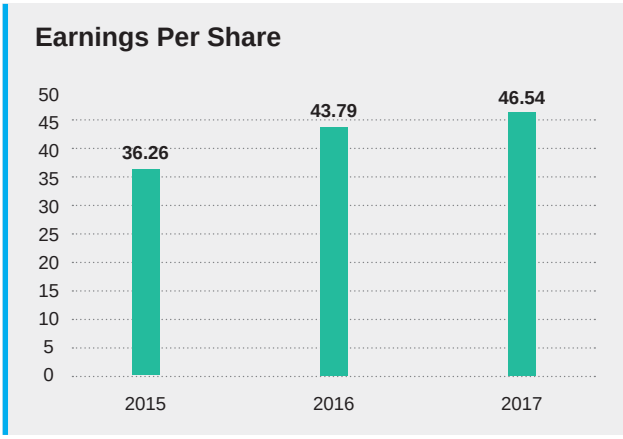
As a result of a productivity audit of the Kolkata plant, a programme has been initiated to achieve benefits from productivity gains and operational savings. A Voluntary Separation Scheme was made available as a part of the programme to provide an amicable exit route for those Kolkata Plant workmen who may not be able to participate in the programme. The expected cost of Rs 444 lakhs for this programme has been provided for as an Exceptional Item.

The Company has in place an established internal control system designed to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. Code on Internal Control which require that the Directors review the effectiveness of internal controls and compliance controls, financial and operational risks, risk assessment and management systems and related party transactions, have been complied with. Self-certification exercises are also conducted by which senior management certify effectiveness of the internal control system, their adherence to Code of Conduct and Company's policies for which they are responsible, financial or commercial transactions, if any, where they have personal interest or potential conflict of interest. Internal Audit is conducted on a pan India basis.

Company's Policies on Health & Safety, Quality, Corporate Social Responsibility, Remuneration, Speak Up and Incident Reporting (Whistle Blowing), Related Party Transactions, Materiality and Dealing with Related Party transactions, Insider trading, Risk Management, Prevention of Sexual Harassment, Dividend Distribution Policy also the Code of Conduct applicable to Directors and Employees of the Company have been complied with. These Policies and the Code of Conduct are available on the Company's website **www.vesuviusindia.com.**

Dividend

The Board of Directors are pleased to recommend a dividend of Rs 6.75 per Equity Share of nominal value of Rs 10/- each. The dividend together with dividend tax will entail a cash outflow of Rs 1,649 lakhs (previous year Rs 1,588 lakhs). If declared by the Shareholders at the forthcoming Annual General Meeting, dividend will be deposited with the bank within April 16, 2018 and dividend will be paid within April 21, 2018.



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.

By their nature, Vesuvius products have a short service life due to wear caused by the high temperature, high thermal cycling and the erosive and corrosive attacks they suffer. Due to the specialised nature of our products and the high volume in which these products are consumed, Vesuvius has developed close, collaborative relationships with customers together with an extended global manufacturing network aligned with customer locations. Vesuvius focuses on gaining a fundamental understanding of customers' processes and delivering systems and products that are mission-critical for the demanding applications in which they are used.

From September 1, 2017 Mr Patrick Georges Felix Andre stepped into the role of Chief Executive of Vesuvius plc, in place of Mr Francois Wanecq. Mr Andre continues to be a Director of our Company. He had joined the Vesuvius Group in February 2016 as President -Flow Control.

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

The Vesuvius Group strategy is articulated around the following five pillars designed to ensure long-term revenue growth, improved profitability and sustained cash generation :

- Reinforce technology leadership;
- Increase penetration of value-creating solutions;
- Capture growth in developing markets;
- Improve cost leadership and margins; and
- Build a Technical Services business

In line with the Vesuvius Group's strategy to continue to focus on research and development and to invest in solutions that will enable further automation of customer's production processes, another world class Research & Development Centre has been set up at Visakhapatnam, India.

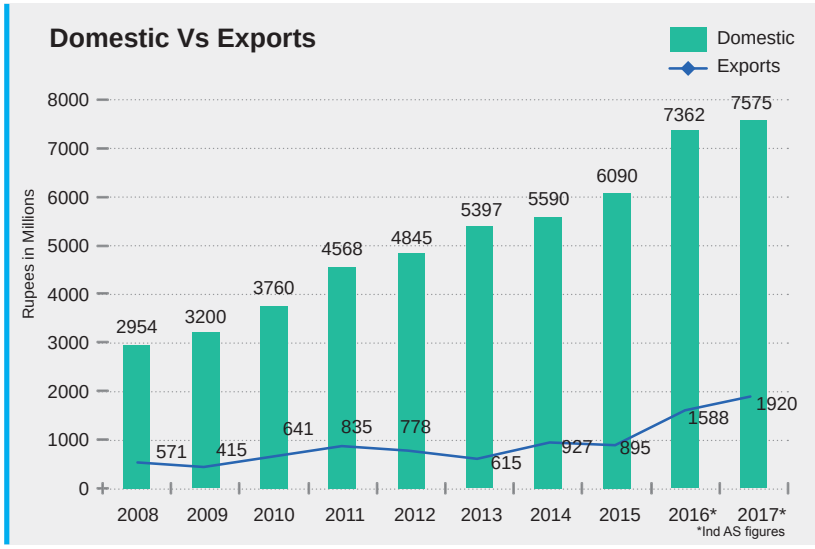
The Vesuvius Group continues to consolidate its positions in India, China and South America, their three strategic areas of development, and has been extremely supportive of their Indian operations and continues to provide constant support in terms of technology, systems, manufacturing etc.

ISO Certification

The Company's factories at Kolkata, Mehsana and Visakhapatnam and two of its sites at Surat in Gujarat and Dolvi in Maharashtra have been certified ISO 9001:2008 for Quality Management Systems Standards.

Segmentwise performance

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



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

India's crude steel production grew by about 6% contributing to revenue growth but the unprecedented upward swing in price of raw materials has had its adverse impact. Initiation of Insolvency proceedings against three of our customers combined with poor financial health of some other customers have made the business environment tough to navigate in terms of balancing sales and receivables. Availability of raw materials was also a concern.

Steel and foundry industry comprises the biggest group of our customers. These are also cyclic in nature. Hence anything that affects the steel and foundry industry will have its one off effect on our business.

There is a continuous process for identifying, evaluating and managing significant risks faced through a risk management process designed to identify the key risks facing each business. The role of insurance and other measures used in managing risks is also reviewed. The Audit Committee has continued its monitoring role. Risks would include demand volatility, adverse foreign exchange fluctuations, ability to source critical raw materials at competitive prices, protection of key technologies, product liability & loss of business reputation and adverse regulatory developments. During the year a risk analysis and assessment was conducted and no major risks were noticed.

Board of Directors

Mr Francois Wanecq, who was the CE of Vesuvius plc and a nominee of the holding company, had stepped down on August 31, 2017 and resigned from the Vesuvius Group's employment effective from December 31, 2017. He therefore has resigned as a Director of the Company effective from December 31, 2017. The Board of Directors record their appreciation of the immense support received by the Company from Mr Wanecq during his term as CE of Vesuvius plc and also as a Director of the Company.

Mr Patrick Georges Felix Andre who was President-Flow Control of the Vesuvius Group, has replaced Mr Francois Wanecq as CE of Vesuvius plc effective from September 1, 2017. He was appointed as a Director

of the Company effective from August 8, 2016 in the casual vacancy caused by the resignation of Mr Christopher Abbott and holds office upto the ensuing Annual General Meeting. He has been recommended to be appointed a Director of the Company by the Nomination and Remuneration Committee and requests have also been received from Shareholders to appoint him as a Director. A resolution proposing him as a Director of the Company is included in the Notice convening the Annual General Meeting.

Mr Andre, a French National, is an Engineer and presently operates from London. He has over 30 years experience with international organisations like Saint-Gobain in Philadelphia (USA), the French Ministry of International Trade and Industry, Eramet (International Mining and Metals Group) and Lhoist Group. He is not a Director of any other company in India but is CE of Vesuvius plc. He is not a member of any Committee in India and does not hold any shares of the Company. The Board of Directors are of the opinion that the presence of Mr Patrick Andre, would bring great value and provide immense support to the Board of Directors and to the Company.

Mr Tanmay Ganguly, Director of the Company, is due to retire by rotation at the ensuing Annual General Meeting. Mr Ganguly was the Managing Director of the Company upto December 31, 2014 and thereafter took up higher responsibilities as President -Advanced Refractories of the Vesuvius Group. He operates from the United Kingdom. Mr Ganguly has confirmed and declared that he is qualified to act as a Director of the Company and being eligible has offered himself for reappointment as a Director of the Company. The Board of Directors are also of the opinion that Mr Ganguly fulfils all the conditions specified in the Companies Act, 2013 making him eligible to be appointed as Director. Mr Ganguly is not a Director of any other company in India or abroad. He is a member of all the committees of the Board of Directors. He does not hold any shares of the Company and is not related to any Director or Key Managerial Personnel of the Company.

Mr Biswadip Gupta, Mr Sudipto Sarkar and Miss Nayantara Palchoudhuri, Independent Directors of the Company, had a separate meeting on November 9, 2017 to conduct an evaluation of the performance of Independent Directors, individual directors, the Board and its Committees and assess the quality, quantity and timeliness of flow of information from the Company management to the Directors as well as an oversight of succession planning, risk management, internal controls and prioritization of strategic objectives and Board efficiency. The Board also conducted a similar evaluation exercise. Mr Sudipto Sarkar and Miss Nayantara Palchoudhuri met separately to evaluate and review the performance of the Chairman. The results were satisfying. The knowledge, experience and advice shared by the Independent Directors from time to time have ensured governance and good conduct, adherence to laws, mitigating risks and growth and strategic decisions in these disruptive business environment. The Board evaluation concluded that the Board continues to operate effectively, continues to promote open debate and is well supported in terms of information flow and that key objectives of strategy delivery and succession planning continued to be well served by the Board.

The Independent Directors have confirmed and declared that they are not disqualified to act as an independent director in compliance with the provisions of section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

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

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

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

Directors' Responsibility Statement

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of section 134(3)(c) read with section 134(5) of the Companies Act, 2013, and provisions of SEBI-LODR and in the preparation of the annual accounts for the year ended on December 31, 2017 and state that :

a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Key Managerial Personnel

The following three persons have been appointed as Key Managerial Personnel of the Company in compliance with the provisions of section 203 of the Companies Act, 2013:

a) Mr Subrata Roy, Managing Director

b) Mr Taposh Roy, Company Secretary

c) Mr Sanjoy Dutta, Chief Financial Officer

Remuneration and other details of the Key Managerial Personnel for the year ended on December 31, 2017 are mentioned in the Extract to the Annual Return in Form MGT-9 which is attached as **Annexure IV** and forms a part of this Report of the Directors.

Corporate Governance

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

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

The Corporate Governance Report for the year ended on December 31, 2017, giving the details as required under Regulation 34(3) read with Clause C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI-LODR") is given separately as **Annexure I** and forms part of this Report of the Directors. The Corporate Governance Certificate for the year ended on December 31, 2017 issued by Mr Anjan Kumar Roy of M/s Anjan Kumar Roy & Co, Practicing Company Secretaries, Secretarial Auditor of the Company, is also attached as **Annexure II** and forms a part of this Report of the Directors.

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

Mr Subrata Roy, Managing Director and Mr Sanjoy Dutta, 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, 2017 to the Board of Directors. The Managing Director has given his certificate under Regulation 34(3) read with Part D of Schedule V of SEBI-LODR regarding compliance with the Code of Conduct of the Company for the year ended on December 31, 2017, which is attached as **Annexure VIII** and forms a part of this Report of the Directors.

Audit Committee

The Audit Committee was constituted on October 24, 2000. The Committee as on December 31, 2017 comprises Mr Biswadip Gupta as Chairman and Mr Tanmay Ganguly, Miss Nayantara Palchoudhuri and Mr Sudipto Sarkar as Members. The Company Secretary is the Secretary of the Committee. The Managing Director and Chief Financial Officer are permanent invitees to the meeting. The Internal Audit reports, financial statements and details of all related party transactions are placed periodically before the Audit Committee. During the year there were no instances where the Board had not accepted the recommendations of the Audit Committee. The Company has in place a vigil mechanism details of which are available on the Company's website **www.vesuviusindia.com.** All persons have been given direct access to the Chairman of the Audit Committee to lodge their grievances. No personnel 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 which the Company may be exposed to.

The details of terms of reference of the Audit Committee, number and dates of meetings held, attendance of the Directors and remuneration paid to them during the year ended on December 31, 2017 are given separately in the attached Corporate Governance Report.

Corporate Social Responsibility Committee

A Corporate Social Responsibility Committee was constituted on April 29, 2014. The Committee as on December 31, 2017 comprises Mr Biswadip Gupta as Chairman and Mr Tanmay Ganguly, Miss Nayantara Palchoudhuri, Mr Subrata Roy and Mr Sudipto Sarkar as Members. Mr Arunava Maitra, Chief HR Officer, is the Secretary of the Committee.

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

The terms of reference of the Corporate Social Responsibility Committee, number and dates of meetings held, attendance of the Directors and remuneration paid to them during the year ended on December 31, 2017 are given separately in the attached Corporate Governance Report.

The Annual Report on Corporate Social Responsibility is attached as **Annexure VII.** The Company believes that CSR projects 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 so that they result in the ultimate objectives meted out in the Company's CSR Policy. Meetings have been held with agencies having all India presence to provide CSR support jointly with the employees of the Company to CSR projects not only where the Company's factories are based but also around steel plants and other locations where the Company operates. Company had spent about Rs 26 lakhs during the year and expects that in the next year more CSR activities will be approved and undertaken.

Leadership Development program

CSR seminar on 'Healthy Women'

Participants in HeaTt – M3 VISO training

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

Nomination and Remuneration Committee

A Nomination and Remuneration Committee was constituted on April 29, 2014 and the members as on December 31, 2017 are Mr Sudipto Sarkar as Chairman and Mr Biswadip Gupta, Mr Tanmay Ganguly and Miss Nayantara Palchoudhuri as Members. The Company Secretary is the Secretary of this Committee. The Managing Director is invited to attend all the meetings of this Committee.

The Company's Remuneration Policy prepared in accordance with section 178 of the Companies Act, 2013 is available on the Company's website **www.vesuviusindia.com.** The details of terms of reference of the Nomination and Remuneration Committee, number and dates of meetings held, attendance of the Directors and remuneration paid to them during the year ended on December 31, 2017 are given separately in the attached Corporate Governance Report.

Share Transfer and Stakeholders Grievance & Relationship Committee

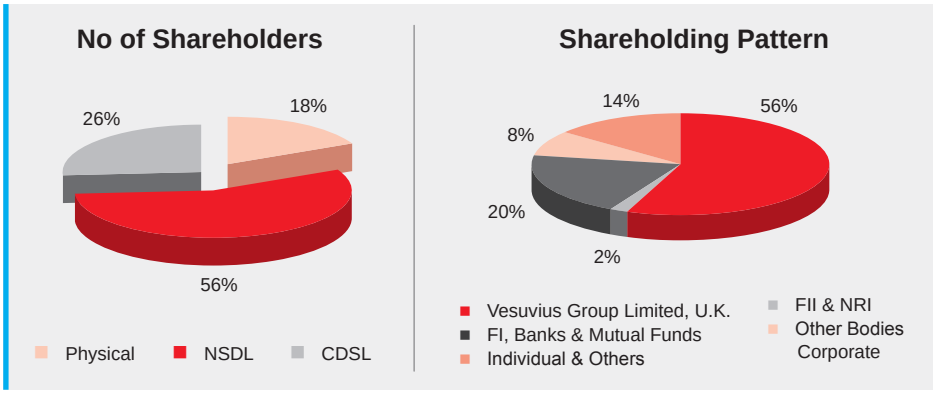
The Share Transfer Committee was constituted on January 1, 1993 and was renamed The Share Transfer and Investor Grievance Committee on February 12, 2001. To comply with the requirements of the Companies Act, 2013 the name of the Committee was changed to Share Transfer and Stakeholders Grievance & Relationship Committee effective from April 29, 2014. The Members of the Committee as on December 31, 2017 are Mr Biswadip Gupta as Chairman, Mr Tanmay Ganguly, Miss Nayantara Palchoudhuri, Mr Subrata Roy and Mr Sudipto Sarkar as Members. The Company Secretary is the Secretary of this Committee. The Committee has delegated the responsibility for share transfers and other routine share maintenance work to the Company Secretary and to M/s C B Management Services (P) Ltd, the Registrars and Share Transfer Agents of the Company. All valid requests for dematerialisation and rematerialisation of shares, transfer or transmission of shares and other share maintenance matters are completed within 15 days of receipt of valid and complete documents. Minutes of the Committee meetings are circulated to all Directors and discussed at the Board meetings. The Committee also reports to the Board on matters relating to the shareholding pattern, shareholding of major shareholders, insider trading compliances, movement of share prices, redressal of complaints, reports on SCORES of SEBI, reports and certificates from Secretarial Auditor and quarterly submissions to the stock exchanges and all other compliances under the Companies Act, 2013 and SEBI-LODR. Details of the number and dates of meetings of this Committee which were held during the year ended on December 31, 2017, attendance of the Directors and remuneration paid to them are given separately in the attached Corporate Governance Report.

The shares of the Company are listed on the Bombay and National Stock Exchange. The Company's shares are compulsorily traded in the dematerialized form. The ISIN number allotted is **INE 386A01015**. The details of shareholding pattern, distribution of shareholding and share prices are mentioned separately in the attached Corporate Governance Report. Only 3,37,505 shares i.e 1.66% of share capital are held in physical mode by 2343 Shareholders as on December 31, 2017.

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 as BSE Limited has asked for a delisting fee which they are not entitled to charge. The matter is pending with BSE Limited.

Investor Education and Protection Fund

A sum of Rs 4,18,753/- being the dividend lying unclaimed for seven consecutive years out of the thirteenth dividend declared by the Company for the year ended on December 31, 2009 at the Annual General Meeting held on June 3, 2010 was transferred to the Investor Education and Protection Fund of the Central Government in July 2017, after giving several notices and reminders to the concerned shareholders.



Dividend which remains unclaimed out of the fourteenth dividend declared by the Company for the year ended on December 31, 2010 at the Annual General Meeting held on April 19, 2011 will be transferred to the Investor Education and Protection Fund ("IEPF") of the Central Government by June, 2018 pursuant to the provisions of section 124 and 125 of the Companies Act, 2013. Thereafter no claim shall lie on the Company for these unclaimed dividend. Shareholders will have to make their claims with the IEPF Authority following the appropriate rules in this regard. Individual notices have already been sent to the shareholders concerned on January 30, 2018.

45,687 Equity shares in respect of 447 folios corresponding to the dividend for the year ended on December 31, 2009 which remained unclaimed for seven consecutive years has also been transferred to the IEPF Authority in compliance with Section 124 of the Companies Act, 2013 read with rule 6 of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2017 after giving individual notices to concerned Shareholders and advertisements in newspapers.

Equity Shares corresponding to the dividend declared for the year ended on December 31, 2010 and remaining unclaimed for seven consecutive years will also be transferred to the IEPF, if the dividend is not encashed within May 21, 2018. Individual notices dated February 16, 2018 have been sent to the concerned Shareholders and advertisements will be made in the newspapers in February, 2018 in this regard. The advertisement will also be made available on the website of the Company.

Notices dated January 30, 2018 have also been sent to all members concerned reminding them to encash their unclaimed dividend.

List of Shareholders whose dividend remain unclaimed till date of AGM held on May 12, 2017 have been uploaded in the website of the Company www.vesuviusindia.com under heading "Investor Information" => "Dividend History & Unpaid Dividend". Shareholders are requested to check their unpaid dividend from this list and contact the Registrars and Share Transfer Agents to encash these unpaid dividends.

Auditors

Messrs Price Waterhouse Chartered Accountants LLP, (Firm Registration No : 012754N/ N500016), Auditors of the Company, have submitted their Independent Auditors Report on the financial statements of the Company for the year ended on December 31, 2017 and they have made no qualification, reservation or adverse remark or disclaimer in their Report. Their appointment as Auditors will be ratified at the ensuing Annual General Meeting pursuant to Section 139 of the Companies Act, 2013.

Secretarial Audit

A Secretarial Audit was conducted by the Secretarial Auditor, Mr Anjan Kumar Roy, FCS, of M/s Anjan Kumar Roy & Co. Practicing Company Secretaries, in accordance with the provisions of section 204 of the Companies Act, 2013. The Secretarial Auditor's Report is attached as **Annexure III** and forms a part of this Report of the Directors. There are no qualifications or observations or adverse remarks made by the Secretarial Auditor in his Report.

Fixed Deposits

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

Loans, guarantees and investments

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

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

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. Transactions have been held during the year with some of the related parties, details of which are mentioned in the Annual Report in accordance with the Accounting Standards 18 on Related Party Disclosures notified by the Companies (Accounting Standards) Rules, 2006. All these transactions are in the ordinary course of business and are at arm's length and hence the restrictive provisions of section 188(1) are not attracted to these transactions. In compliance with the provisions of Regulation 34(3)

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

read with Schedule V of SEBI-LODR read with section 134(3)(h) it is confirmed that no loans or advances in the nature of loans have been received or paid to the holding company or any associate company or any Director or to any firms or companies in which a director is interested and no investments have been made in the shares of the parent / holding companies or any of its subsidiaries. The prescribed Form AOC-2 is therefore not applicable to the Company.

There were no material changes and commitments affecting the financial position of the Company occurring between December 31, 2017 and the date of this Report of the Directors.

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

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

Prevention of Sexual Harassment

In compliance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company had constituted a Prevention of Sexual Harassment Committee with three employees and a reputed NGO representative and Miss Nayantara Palchoudhuri, Director, as an Adviser to the Committee. The Prevention of Sexual Harassment Policy is available on the Company's website **www.vesuviusindia.com.** All employees, specially women employees, were made aware of the Policy and the manner in which complaints could be lodged. The Committee submitted their third 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 :

a. Number of complaints of sexual harassment received in the year : Nil
b. Number of complaints disposed off during the year : Nil
c. Number of cases pending for more than ninety days : Nil
d. Number of workshops or awareness programme against sexual harassment carried out : Two
e. Nature of action taken by the employer or District Officer : Not Applicable

Business Responsibility Report

The Company was ranked 467 (previous year rank 482) by National Stock Exchange out of 500 top listed companies in India based on the market capitalisation as on March 31, 2017. Accordingly, in compliance with regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report for the year 2017 is attached as **Annexure IX** and forms a part of the Directors 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 this Report of the Directors :

Annexure	Particulars
I	Corporate Governance Report
II	Certificate from Practicing Company Secretary on Corporate Governance Report
III	Secretarial Audit Report
IV	Extract of the Annual Return in Form MGT-9
V	Prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
VI	Particulars of Employees
VII	Annual Report on Corporate Social Responsibility
VIII	Managing Director's Certificate under regulation 34(3) read with Part D of Schedule V of SEBI-LODR on compliance of Code of Conduct
IX	Business Responsibility Report

Human Resources Management & Health, Safety and Environment

Vesuvius has various programmes on a continuous basis to train employees, to provide professional skills to them for better talent management and development needs of the organization as well as to develop mid-level managers apart from its key

areas of focus which are to ensure leadership bench-strength and managing succession. The Living the Value Awards recognizes the commitment of our people to the five Values of Creativity, Integrity, Cooperation, Embracing Diversity and Reliability. During the year ten employees were nominated for the LTVA Awards of which 4 employees received the award at an Award Programme in Vienna, Austria.

The Company had 450 employees as on December 31, 2017. The continuous leadership and technical training courses in India and abroad give employees the opportunity to improve their skills, maximize personal potential and develop careers within the Company and the Group while adhering to Vesuvius values.

All management staff of the Company have undergone training on Anti-Bribery and Anti-Corruption Policy of the Company.

Appreciation

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

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

Place: Kolkata
Date: February 16, 2018

Biswadip Gupta
Chairman

ANNEXURE - I

CORPORATE GOVERNANCE REPORT - 2017

This Corporate Governance Report relating to the year ended on December 31, 2017 has been issued in compliance with the requirements of Regulation 34(3) read with Clause C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms a part of the Report of the Directors to the Members of the Company.

1. OUR COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

VESUVIUS MISSION STATEMENT

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

Our mission is :

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

2. BOARD OF DIRECTORS

2.1. Composition and Category of Directors

The Board of Directors as on December 31, 2017 consists of seven Directors of which there are six Non-executive Directors and the Managing Director as follows :

Name of Director	Category of Director	Particulars
Mr Biswadip Gupta (DIN : 00048258)	Chairman, Non-Executive Independent Director	Appointed an Independent Director for 5 years effective from May 7, 2015
Mr Patrick Georges Felix Andre (DIN : 07619754)	Non-Executive Director	Nominee of the holding company. Appointed Director effective from August 8, 2016 in the casual vacancy caused by the resignation of Mr Christopher David Abbott
Mr Tanmay Kumar Ganguly (DIN : 01272338)	Non-Executive Director	Nominee of the holding company.
Miss Nayantara Palchoudhuri (DIN : 00581440)	Non-Executive Independent Director	Appointed an Independent Director for 5 years effective from March 27, 2015
Mr Subrata Roy (DIN : 07046994)	Managing Director	Appointed Managing Director for 5 years effective from January 1, 2015
Mr Sudipto Sarkar (DIN : 00048279)	Non-Executive Independent Director	Appointed Independent Director for 5 years effective from April 29, 2014
Mr Francois Clement Wanecq (DIN : 01272269)	Non-Executive Director	Nominee of the holding company. Not liable to retire by rotation. He has resigned effective 31.12.2017

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

2.2. Details of the Directors

Mr Francois Clement Wanecq (DIN : 01272269) who was the CEO of Vesuvius plc, the ultimate holding company, and a Director on our Company's Board representing the holding company, had resigned from the Vesuvius Group's employment and so had resigned as a Director of the Company with effect from December 31, 2017.

Mr Patrick Georges Felix Andre (DIN : 07619754), President-Flow Control of the Vesuvius Group, had been appointed a Director of the Company effective from August 8, 2016 in the casual vacancy caused by the resignation of Mr Christopher David Abbott and holds office upto the ensuing Annual General Meeting and his appointment will be considered at the next Annual General Meeting and he will not be liable to retire by rotation. Mr Andre has been appointed Chief Executive of Vesuvius plc, the ultimate holding company, in place of Mr Francois

Wanecq effective from September 1, 2017 and continues to remain a Director of our Company. He is not a Director of any other company in India nor is a member of any Committee in India and does not hold any shares of the Company. His particulars and other details are mentioned in the Directors Report and in the Notice convening the Annual General Meeting and therefore are not mentioned separately in this Report.

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

All Directors have certified that the disqualifications mentioned under sections 164, 167 and 169 of the Companies Act, 2013 do not apply to them. Independent Directors have affirmed compliance with the Code of Conduct of the Company and the Code for Independent Directors mentioned in Schedule IV of the Companies Act, 2013. The Independent Directors have given declaration that they meet the criteria of independence referred to in section 149(6) of the Companies Act, 2013 and that they are not disqualified to act as such independent director.

2.3. Code of Conduct

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

2.4. Shareholding of Directors and Key Managerial Personnel

As on December 31, 2017 following shares of the Company were held by Directors and Key Managerial Personnel of the Company :

Name	Designation	No of shares held as on 31.12.2017
Mr Biswadip Gupta	Chairman	38,749
Mr Sanjoy Dutta	Chief Financial Officer	6,500
Mr Taposh Roy	Company Secretary	1

No other Director or Key Managerial Personnel holds any shares in the Company.

2.5. Familiarisation program imparted to Independent Directors

Mr Biswadip Gupta and Mr Sudipto Sarkar, 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, 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 for the Prevention of Sexual Harassment to Women at workplace has, through these meetings, interacted with the employees and senior executives of the Company.

2.6. Board Meetings, Annual General Meeting and Attendance

During the financial year ended December 31, 2017, five Board meetings were held on February 27, 2017, May 11, 2017, June 12, 2017, August 8, 2017 and November 9, 2017. The Annual General Meeting was held on May 12, 2017.

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CORPORATE GOVERNANCE REPORT - 2017 *(Contd.)*

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

Name of Director	No. of Board Meetings			Fees Paid Rs	Attendance at AGM held on 12.05.2007
	Held	Eligible to attend	Attended		
Mr Biswadip Gupta	5	5	5	2,00,000	Yes
Mr Patrick Andre	5	5	1	Nil	Yes
Mr Tanmay Ganguly	5	5	3	Nil	Yes
Miss N Palchoudhuri	5	5	5	2,00,000	Yes
Mr Subrata Roy	5	5	5	Nil	Yes
Mr Sudipto Sarkar	5	5	4	1,60,000	Yes
Mr Francois Wanecq	5	5	2	Nil	Yes

Mr Biswadip Gupta, Chairman of the Audit Committee, and Mr Sudipto Sarkar, Chairman of the Nomination and Remuneration Committee were present at the Annual General Meeting held on May 12, 2017. The Chief Financial Officer, who is a permanent invitee to the meetings of the Board of Directors, and the Company Secretary, who is the Secretary of the Board of Directors, have attended all meetings of the Board of Directors. Mr Francois Wanecq resigned effective end of December 31, 2017.

2.7. Directorships and Committee membership

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

Independent Directors do not serve in more than 7 listed companies. None of the Independent Directors are wholetime directors in any listed Company so the limitations mentioned in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable.

Directorships and membership of Committees held by Directors as on December 31, 2017 are given below :

Name of Director	Companies in India			Companies abroad
	No of Directorships held	No of Committees of which Chairman*	No of Committees of which Member only*	No of Directorships held
Mr Biswadip Gupta	11	2	2	Nil
Mr Patrick Georges Felix Andre	2	Nil	Nil	1
Mr Tanmay Kumar Ganguly	1	Nil	2	Nil
Miss Nayantara Palchoudhuri	9	Nil	4	Nil
Mr Subrata Roy	2	Nil	1	Nil
Mr Sudipto Sarkar	5	1	4	Nil
Mr Francois Clement Wanecq	1	Nil	Nil	Nil

* Only Audit Committee and Stakeholders Relationship Committee are considered as per Regulation 26(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These include Directorship and Committee Membership of Vesuvius India Limited.

2.8. Board Committees

The Board of Directors have constituted the following Committees :

a) Audit Committee

b) Nomination and Remuneration Committee

c) Share Transfer and Stakeholders Grievance & Relationship Committee

d) Corporate Social Responsibility Committee

The responsibility of risk management, adherence to risk management plan and procedures and risk related matters have been delegated to the Audit Committee and hence there is no separate Risk Management Committee.

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

3. AUDIT COMMITTEE

3.1. Constitution and Composition : The Audit Committee was constituted on October 24, 2000. The Audit Committee as on December 31, 2017 consists of four members namely Mr Biswadip Gupta, Chairman of the Audit Committee, Mr Tanmay Ganguly, Miss Nayantara Palchoudhuri and Mr Sudipto Sarkar.

The Managing Director and Chief Financial Officer are permanent invitees in all meetings of the Audit Committee. The Company Secretary is the Secretary of the Audit Committee. All Directors are financially literate and Mr Biswadip Gupta and Mr Tanmay Ganguly have accounting or related financial management expertise. The Statutory Auditors and Internal Auditors are invited to the meetings to discuss with the Directors the scope of audit, their comments and recommendation on the accounts, records, risks, internal procedures and internal controls of the Company and to discuss the Internal Audit Reports. Minutes of the Audit Committee meetings are circulated to all Directors and discussed at the Board meetings.

3.2. Terms of Reference : The terms of reference of the Audit Committee cover all the areas mentioned under section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has also included in the terms of reference of the Audit Committee the monitoring, implementing and review of risk management plan as required under Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore a separate Risk Management Committee has not been constituted. The broad terms of reference of the Audit Committee therefore include review of financial reporting process and all financial results, statements and disclosures and recommend the same to the Board, review the internal audit reports and discuss the same with the internal auditors, review internal control systems and procedures, evaluation of internal financial controls and risk management systems and their effectiveness, to meet the statutory auditors and discuss their findings, their scope of audit, post audit discussion, auditor's independence, adequacy of internal audit functions, audit qualifications, if any, appointment/removal and remuneration of auditors, changes in accounting policies and practices, reviewing approval and disclosure of all related party transactions, reviewing with the management the performance of the statutory and internal auditors and their remuneration, compliance with listing agreements, listing regulations, company law and other legal requirements and the Company's financial and risk management plan and policies and its implementation, disaster recovery policies and compliance with statutory requirements.

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

3.4. Attendance : During the financial year ended December 31, 2017, six meetings of the Audit Committee were held on February 27, 2017, May 11, 2017, June 12, 2017, July 1, 2017, August 8, 2017 and November 9, 2017. The Attendance of the Directors at these Audit Committee meetings and remuneration paid to them is given below :

Name of Director	No. of Meetings			Fees Paid Rs
	Held	Eligible to attend	Attended	
Mr Biswadip Gupta, Chairman	6	6	6	1,80,000
Mr Tanmay Kumar Ganguly	6	6	3	Nil
Miss Nayantara Palchoudhuri	6	6	6	1,80,000
Mr Sudipto Sarkar	6	6	5	1,50,000

Mr Subrata Roy, Managing Director, Mr Sanjoy Dutta, Chief Financial Officer and Mr Taposh Roy, Company Secretary had attended all these meetings.

4. NOMINATION AND REMUNERATION COMMITTEE

4.1. Constitution and Composition : The Nomination and Remuneration Committee was constituted on April 29, 2014 in compliance with the provisions of section 178 of the Companies Act, 2013 and the earlier Clause 49(IV) of the revised Listing Agreement with Stock Exchanges (now Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr Sudipto Sarkar is the Chairman of the Committee and other members are Mr Biswadip Gupta, Mr Tanmay Ganguly and Miss Nayantara Palchoudhuri.

4.2. Terms of Reference : The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The broad terms of reference of the Nomination and Remuneration Committee therefore include

ANNEXURE - I

CORPORATE GOVERNANCE REPORT - 2017 *(Contd.)*

recommending a policy relating to remuneration and employment terms of wholetime directors and senior management personnel, adherence to and review of the remuneration/employment policy as approved by the Board of Directors, formulating the criteria and identify persons who may be appointed as directors or senior management of the Company, preliminary evaluation of every Director's performance, Board diversity, compliance of the Code for Independent Directors referred to in Schedule IV of the Companies Act, 2013, compliance with the Company's Code of Conduct by Directors and employees of the Company, reporting non-compliances to the Board of Directors, recommending draft of the report required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 which will form part of the Directors Report to Shareholders and any other matters which the Board of Directors may direct from time to time.

4.3. Attendance : During the financial year ended December 31, 2017, two meetings of the Nomination and Remuneration Committee were held on February 27, 2017 and November 9, 2017. The Attendance of the Directors at these Committee meetings and remuneration paid to them is given below :

Name of Director	No. of Meetings			Fees Paid Rs
	Held	Eligible to attend	Attended	
Mr Sudipto Sarkar, Chairman	2	2	2	40,000
Mr Biswadip Gupta	2	2	2	40,000
Mr Tanmay Ganguly	2	2	1	Nil
Miss Nayantara Palchoudhuri	2	2	2	40,000

Mr Subrata Roy, Managing Director and Mr Taposh Roy, Company Secretary had attended all these meetings.

4.4. Performance Evaluation of Directors

A performance evaluation of each Independent Director of the Company and of the Board was done on November 9, 2017. The attendance, participation and contributions of each Independent Director not only during the proceedings of meetings of the Directors but also beyond meeting hours were appreciated. The advice from the Independent Directors from time to time on the steel and refractory industry in which the Company operates, on various legal matters which had arisen during the year including the impact of the Insolvency and Bankruptcy Code and on the improvements in corporate governance have benefitted the Company and the management team immensely. The knowledge, experience and advice shared by the Independent Directors from time to time have ensured governance and good conduct, adherence to laws, mitigating risks and growth. As in previous years, the evaluation covered overall performance of the Board and its Committees, individual reviews of each Director and analysis of the performance of the Chairman. The Board evaluation confirmed that your Board continues to function effectively and continues to promote open debate and is well supported in terms of information flow. It is well balanced, with a strong mix of relevant experience and is very clear and focused on its priorities in setting strategic direction and acting as custodians of long-term shareholder value.

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

5. REMUNERATION TO DIRECTORS

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

5.2. Total Remuneration paid to Non-executive Directors for attending meetings of the Board and

Committees during the year ended December 31, 2017 is given below :

Name of Director	Sitting Fees Rs	Commission Rs	Total Rs
Mr Biswadip Gupta	4,70,000	9,25,000	13,95,000
Mr Patrick Andre	Nil	Nil	Nil
Mr Tanmay Ganguly	Nil	Nil	Nil
Miss Nayantara Palchoudhuri	4,70,000	7,25,000	11,95,000
Mr Sudipto Sarkar	4,00,000	7,00,000	11,00,000
Mr Francois Clement Wanecq	Nil	Nil	Nil

5.3. Total Remuneration paid to Mr Subrata Roy, Managing Director, for the year ended December 31, 2017 is given below :

Particulars	Amount Paid Rs
Salary and Allowances	1,02,32,700
Leave encashment	2,43,781
Performance Incentive	31,23,198
Perquisites and other payments	6,45,818
Contribution to Retirement Funds	13,91,656
Total for year ended 31.12.2017	**1,56,37,153**

Mr Subrata Roy's contract for appointment is for a period of 5 years from January 1, 2015. His notice period is six months or such shorter notice as the Board of Directors may agree. There is no separate provision for payment of severance fees in the Contract. The Company does not have any Stock Option Scheme.

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

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As required under section 135 of the Companies Act, 2013, a Corporate Social Responsibility Committee was constituted on April 29, 2014. The members of this Committee as on December 31, 2017 are Mr Biswadip Gupta as Chairman and Mr Tanmay Ganguly, Miss Nayantara Palchoudhuri, Mr Subrata Roy and Mr Sudipto Sarkar as Members.

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

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

The Committee met only twice during the year on February 27, 2017 and November 9, 2017. The CSR Report is attached separately to the Directors Report.

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

Name of Director	No. of Meetings			Fees Paid Rs
	Held	Eligible to attend	Attended	
Mr Biswadip Gupta, Chairman	2	2	2	30,000
Mr Tanmay Kumar Ganguly	2	2	1	Nil
Miss Nayantara Palchoudhuri	2	2	2	30,000
Mr Subrata Roy	2	2	2	Nil
Mr Sudipto Sarkar	2	2	2	30,000

7. SHARE TRANSFER AND STAKEHOLDERS GRIEVANCE & RELATIONSHIP COMMITTEE

7.1. Constitution and Composition : The Share Transfer Committee was constituted on January 1, 1993 and renamed Share Transfer and Stakeholders Grievance & Relationship Committee on April 29, 2014 to comply with the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on December 31, 2017, this Committee consisted of five Directors namely Mr Biswadip Gupta, Chairman of the Committee, Mr Tanmay Ganguly, Miss Nayantara Palchoudhuri, Mr Subrata Roy and Mr Sudipto Sarkar. Minutes of the Share Transfer and Stakeholders Grievance & Relationship Committee meetings are circulated to all Directors and discussed at the Board meetings.

7.2. Compliance Officer : Mr Taposh Roy, Company Secretary, is the Secretary of this Committee and the Compliance Officer and his contact details are given below :

Mr Taposh Roy, Company Secretary

Vesuvius India Limited
P-104 Taratala Road Kolkata 700 088
West Bengal, INDIA

Phone : (033) 3041 0600 ; 3041 0611
Fax : (033) 2401 3976
Email : Taposh.Roy@vesuvius.com

ANNEXURE - I

CORPORATE GOVERNANCE REPORT - 2017 *(Contd.)*

7.3. Attendance : During the financial year ended December 31, 2017, two meetings of the Committee were held on May 11, 2017 and December 29, 2017. The Attendance of the Directors at these Committee meetings and remuneration paid to them is given below :

Name of Director	No. of Meetings			Fees Paid Rs
	Held	Eligible to attend	Attended	
Mr Biswadip Gupta, Chairman	2	2	2	20,000
Mr Tanmay Kumar Ganguly	2	2	2	Nil
Miss Nayantara Palchoudhuri	2	2	2	20,000
Mr Subrata Roy	2	2	1	Nil
Mr Sudipto Sarkar	2	2	2	20,000

7.4. Pledge of shares : No pledge has been created over the Equity Shares held by the Promoters as on December 31, 2017.

7.5. Details of Complaints from Shareholders :

No. of complaints remaining unresolved as on 01.01.2017	:	Nil
No. of complaints received during the year	:	3
No. of complaints resolved during the year	:	3
No. of complaints unresolved as on 31.12.2017	:	Nil

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

No. of valid share transfer applications received	:	45
No. of share transfer applications processed & registered	:	45
No. of shares transferred	:	1,681
No. of pending share transfers as on 31.12.2017	:	Nil
No. of shares dematerialised to NSDL	:	10,080
No. of shares dematerialised to CDSL	:	3,188
No. of shares rematerialised	:	Nil

8. GENERAL BODY MEETINGS

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

AGM No	Relating to Financial Year ended on	Venue of AGM	Date of AGM	Time of AGM
24th	31.12.2014	Williamson Magor Hall, The Bengal Chamber of Commerce & Industry, 6 Netaji Subhas Road, Kolkata 700 001	07.05.2015	10.30 a.m.
25th	31.12.2015	G D Birla Sabhaghar, 29 Ashutosh Chowdhury Avenue, Kolkata 700 019	04.05.2016	10.30 a.m.
26th	31.12.2016	G D Birla Sabhaghar, 29 Ashutosh Chowdhury Avenue, Kolkata 700 019	12.05.2017	10.30 a.m.

8.2. Special resolutions :

8.2.1. No special resolutions were passed in any of the previous three Annual General Meetings.

8.2.2. At the ensuing 27th Annual General Meeting to be held on April 10, 2018 no resolution is proposed to be passed by special resolution.

8.3. Postal Ballot : No resolutions were passed by Postal Ballot in any of the previous three Annual General meetings.

9. MEANS OF COMMUNICATION

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

9.2. Shareholder communication including Notices and Annual Reports are being sent to the email addresses of Members available with the Company and the Depositories. Annual Accounts are sent to Members at least 25 days before the date of Annual General Meeting.

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

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

9.5. Address for communication :

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

C B Management Services (P) Limited

Unit : Vesuvius India Limited

P-22 Bondel Road, Kolkata 700 019.

Phone : (033) 40116700; 40116718; 40116729
Fax : (033) 4011 6739
Email : rta@cbmsl.com, ranarc@cbmsl.co
Web site : www.cbmsl.com

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

Complaints, if any, may also be addressed to the Company Secretary at the Registered Office at P-104 Taratala Road, Kolkata 700 088 or sent by email at **Taposh.Roy@vesuvius.com**.

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

10. GENERAL SHAREHOLDER INFORMATION

10.1. Date, time & venue of the Annual General Meeting :

The 27th Annual General Meeting of the Company will be held on Tuesday, April 10, 2018 at 10.30 a.m. at G D Birla Sabhaghar, 29 Ashutosh Chowdhury Avenue, Kolkata 700019.

10.2. Financial Year :

10.2.1. The Financial Year of the Company ended on December 31, 2017.

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

ANNEXURE - I

CORPORATE GOVERNANCE REPORT - 2017 *(Contd.)*

10.3. Record Date and Cut Off Date:

10.3.1. **Record Date is April 3, 2018** for determining those who will be entitled to receive dividend to be declared at the ensuing Annual General Meeting.

10.3.2. **Cut Off Date is April 3, 2018** for determining those who will be entitled to vote electronically on the resolutions mentioned in the Notice convening the Annual General Meeting by remote e-Voting and also vote at the meeting venue.

10.4. Electronic Voting

10.4.1. Pursuant to section 108 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and other applicable requirements, voting at the 27th Annual General Meeting will be made through electronic voting. The electronic voting ("E-Voting") period will be from **9.00 a.m. on April 6, 2018 to 5.00 p.m. on April 9, 2018,** both days inclusive.

10.4.2. No special resolution is proposed to be conducted through postal ballot or electronic voting.

10.4.3. **Scrutiniser for electronic voting :** Mr Anjan Kumar Roy, Proprietor of Anjan Kumar Roy & Co, Practicing Company Secretaries (Membership No. F5684 and C.P. No 4557) of DPS, Corporate Club, 9A Sebak Baidya Street, Kolkata 700029 Phone : 9830201949; (033) 24750112 Email : akroyco@yahoo.co.in and anjanroy_2003@yahoo.co.in) has been appointed as the Scrutiniser to scrutinise the electronic voting process and the voting at the venue of the Annual General Meeting in a fair and transparent manner and to give his report to the Chairman.

10.5. Dividend payment date :

Dividend at the rate of Rs 6.75 per share of nominal value Rs 10/- each has been recommended by the Board of Directors for the year ended on December 31, 2017, subject to the approval from the Members at the ensuing Annual General Meeting. If dividend is declared at the Annual General Meeting, the dividend will be deposited with the Bank within April 16, 2018 and payment of dividend will be made within April 21, 2018.

10.6. Listing on Stock Exchanges :

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

a) BSE Limited

(Stock Code : 520113)

Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001

b) National Stock Exchange of India Limited

(Stock Code : VESUVIUS)

Exchange Plaza, 5th Floor Plot No C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai 400 051

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

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

10.7 Market Price Data :

(i) **National Stock Exchange -** Market Price and Volume during the period January 1, 2017 to December 31, 2017 :

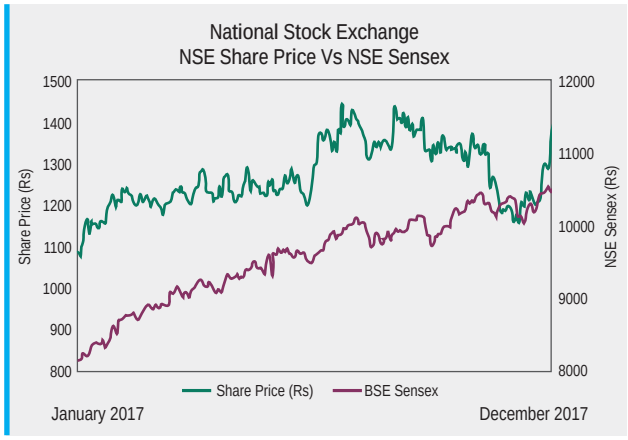
Month	High (Rs)	Low (Rs)	NSE Volume
January	1223.65	1078.95	59580
February	1239.35	1197.15	39144
March	1244.65	1175.30	206089
April	1286.05	1208.50	345556
May	1289.30	1206.05	141919
June	1284.60	1200.65	57143
July	1440.60	1296.75	592227
August	1436.30	1308.20	188589
September	1420.30	1307.55	172375
October	1372.70	1296.65	76003
November	1344.95	1163.25	467335
December	1399.10	1060.80	214668

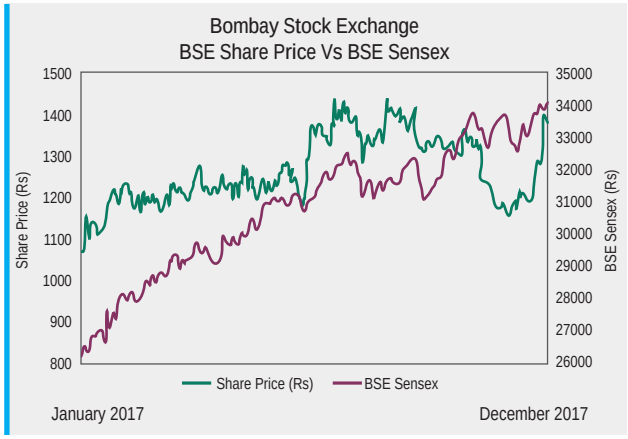
(ii) Bombay Stock Exchange - Market Price and Volume during the period January 1, 2017 to December 31, 2017:

Month	High (Rs)	Low (Rs)	BSE Volume
January	1230.10	1079.30	17689
February	1241.90	1180.10	4010
March	1249.90	1179.35	86000
April	1280.30	1215.10	5568
May	1278.40	1205.00	5748
June	1293.80	1196.25	105620
July	1432.50	1295.60	691073
August	1438.05	1286.35	93873
September	1420.55	1313.00	184394
October	1370.30	1299.95	20336
November	1351.80	1162.40	261424
December	1405.60	1188.65	78747

10.8 Performance Graphs :

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





10.9. Registrars & Share Transfer Agents :

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

CB Management Services (P) Limited
P-22 Bondel Road, Kolkata 700 019
Phone : (033) 40116700; 40116718; 40116729
Fax : (033) 4011 6739
Email : rta@cbmsl.com, ranarc@cbmsl.co
Web site : www.cbmsl.com
Contact person : Mr Rana Roy Choudhury

10.10 Share Transfer System :

Share Transfer requests valid and complete in all respects are normally processed within 15 days. Power has been delegated to the Company Secretary and the Registrars & Share Transfer Agents for expediting share transfers. Valid requests for demat of shares are completed within 10 days. The Company's shares are compulsorily traded in the dematerialized form. The ISIN No. allotted to the Company is **INE 386A01015.**

10.11. Distribution of shareholding as on December 31, 2017 :

Shares held	Number of Shareholders	%	Number of Shares held	%
1 – 500	12,204	94.34	11,01,855	5.43
501 – 1000	310	2.40	2,43,518	1.20
1001 – 5000	317	2.45	7,03,471	3.46
5001 – 10000	43	0.33	3,08,388	1.52
10001 and above	61	0.48	1,79,38,848	88.39
Total	**12,935**	**100.00**	**2,02,96,080**	**100.00**

Shares held	Number of Shareholders	%	Number of Shares held	%
In Physical mode	2,343	18.11	3,37,505	1.66
Demat with NSDL	7,290	56.36	1,90,84,065	94.03
Demat with CDSL	3,302	25.53	8,74,510	4.31
Total	**12,935**	**100.00**	**2,02,96,080**	**100.00**

ANNEXURE - I

CORPORATE GOVERNANCE REPORT - 2017 *(Contd.)*

10.12. Shareholding pattern as on December 31, 2017:

Particulars	Number of Shares held	%
Vesuvius Group Limited, U.K.	1,12,77,650	55.57
Foreign Institutional Investors & OCB	1,04,252	0.51
Non Resident Indians	1,23,520	0.61
Alternative Investment Fund	67,300	0.33
Foreign Portfolio Investor	34,588	0.17
Indian Financial Institutions & Insurance companies	2,88,460	1.42
Nationalised & other Banks	5,816	0.03
Mutual Funds	38,74,292	19.09
Bodies Corporate	15,87,298	7.82
Individuals & Others	28,64,146	14.11
Investor Education & Protection Fund	45,687	0.23
Clearing member with Depositories	23,071	0.11
Total	**2,02,96,080**	**100.00**

10.13. Top ten shareholders as on December 31, 2017 :

Particulars	Number of Shares held	Percentage of total share capital
Vesuvius Group Limited, U.K.	1,12,77,650	55.57
Reliance Capital Trustee Co Ltd - A/c Reliance Tax Saver Fund (ELSS)	11,82,598	5.83
HDFC Trustee Company Ltd -A/c HDFC Mid-Cap Opportunities Fund	11,11,500	5.48
Catamaran Advisors LLP	7,27,658	3.58
HDFC Trustee Company Ltd -A/c HDFC Long Term Advantage Fund	4,20,000	2.07
Reliance Capital Trustee Co Ltd - A/c Reliance Equity Opportunity Fund	2,70,536	1.33
Urjita Master	2,25,250	1.11
Reliance Nippon Life Insurance Co Ltd	1,82,997	0.90
HDFC Small Cap Fund	1,48,420	0.73
Sudhir Enterprises Private Limited	1,44,000	0.71
Total	**1,56,90,609**	**77.31**

10.14. Transfers during the year to the Investor Education and Protection Fund :

During the year dividend amounting to Rs 4,18,753/- lying unclaimed in the Thirteenth Dividend Account relating to the year ended December 31, 2009 which had been declared at the Annual General Meeting of the Company held on June 3, 2010, was transferred in July, 2017 to the Investor Education and Protection Fund ("IEPF") of the Central Government after giving final reminder notices on February 14, 2017 to all concerned Shareholders.

10.15. Unclaimed Dividend transfer to IEPF :

Notices regarding dividend lying unclaimed, have been sent to all shareholders concerned on January 30, 2018. Final notices dated January 30, 2018 has been sent to those Shareholders whose dividend relating to the year ended December 31, 2010 are still lying unclaimed as these dividends will be transferred to Investor Education and Protection Fund of the Central Government in May, 2018.

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

a) 45,687 shares have been transferred to IEPF on November 29, 2017 in compliance with the provisions of Section 124 of the Companies Act, 2013 and Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules") after sending letters to those Shareholders and also making an advertisement in the newspapers in this regard. Details of these shares transferred to IEPF are available on the following link **http://www.vesuviusindia.com/view/viewdividendhistory.aspx**

b) The Company will issue letters to those shareholders whose shares are eligible to be transferred to IEPF during the year 2018 by giving them at least three months notice and also informing them through an appropriate advertisement in the newspapers.

10.17. Unclaimed Shares

As on December 31, 2017 there were no shares of any shareholder lying unclaimed with the Company or lying in the suspense account. The disclosure required to be given under Regulation 34(3) read with Clause F of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are therefore not applicable.

11. DISCLOSURES

11.1 Details of transactions with related parties have been reported in the Notes to Accounts. These disclosures are also made for the purpose of Regulation 10(1)(a) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. All the transactions with related parties are in the ordinary course of business and at arm's length basis and there are no materially significant related party transactions which may have potential conflict with the interests of the Company at large. The Related Party Policy is available on the Company's website **www.vesvuviusindia.com**

11.2. There were no instances of non-compliance by the Company or any penalties or strictures imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

11.3. The Company has established a vigil mechanism system and has in place a Whistle Blower Policy namely "Speak Up and Incident reporting (Whistle Blowing) Policy", a copy of which is available on the Company's website **www.vesuviusindia.com.** Adequate safeguards have been provided against victimization of persons who use the vigil mechanism. All persons have been given direct access to the Chairman of the Audit Committee to lodge their grievances. No personnel have been denied access to the Audit Committee to lodge their grievances.

11.4. Mandatory requirements and non-mandatory requirements have been appropriately complied with except that the Company does not bear the expenses of the Chairman's Office and does not send the half-yearly financial performance to each household of shareholders who have not registered their Email ID with the Company or the Depository Participants.

11.5. Management Discussion and Analysis Report forms a part of the Directors' Report.

11.6. No presentations were made to institutional investors and analysts during the year.

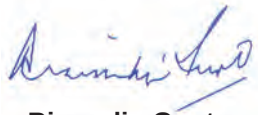
11.7. The Company does not have any subsidiary therefore corresponding disclosures have not been made.

11.8. There have been no public issues, rights issues or other public offerings during the past five years. The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments. Hence corresponding disclosures have not been made.

11.9. Plant locations of the Company are given separately in the Annual Accounts of the Company and are also available on the Company's website **www.vesuviusindia.com.**

11.10. Other 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



Place: Kolkata
Date: February 16, 2018

Biswadip Gupta
Chairman

ANNEXURE - II

CERTIFICATE ON CORPORATE GOVERNANCE

ANJAN KUMAR ROY & CO.
COMPANY SECRETARIES

CERTIFICATE ON CORPORATE GOVERNANCE

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

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

A. We have conducted an audit of compliance of corporate governance norms and procedures by the Company being **M/s. Vesuvius India Limited**, having it's registered office at P-104, Taratala Road, Kolkata - 700 088 (hereinafter called **"the Company"**) during the Financial Year ended 31st December, 2017, and 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

Place : Kolkata
Date : 16/02/2018

Office Address : DPS Business Centre, 9A, Sebak Baidya Street, Kolkata - 700 029 E-mail: akroyco@yahoo.co.in/ anjanroy_2003@yahoo.co.in/anjankumarroyco@hotmail.com. Land Ph. No. 033 2475 0112. Hand Held Nos. 9830201949/9831891949.

ANNEXURE - III

SECRETARIAL AUDIT REPORT

ANJAN KUMAR ROY & CO.

COMPANY SECRETARIES

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST December, 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Vesuvius India Limited** (hereinafter called "the Company") for and during the financial year ended 31st December, 2017. Secretarial Audit was conducted on test check basis, in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

2. Based on our verification of the **M/s. Vesuvius India Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st December, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Vesuvius India Limited** for and during the financial year ended on 31st December, 2017 according to the provisions of :

   (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

   (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-

      a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

      c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

      d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **- The provisions were not attracted during the period under review;**

ANNEXURE - III

SECRETARIAL AUDIT REPORT *(Contd.)*

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **The provisions were not attracted during the period under review;**

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

(vi) and other laws specifically applicable to the Company being:-

a) Hazardous Wastes (Management and Handling) Rules, 2008;

b) Public Liability Insurance Act, 1991, and

c) Sexual Harrassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

4. We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited (BSE) & National Stock Exchange of India Limited (NSE).

5. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

6. We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

7. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

8. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

9. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, such as laws related to taxation, local laws applicable to the area of operation of business and other laws generally applicable to Company.

10. This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

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

ANJAN KUMAR ROY
Proprietor
FCS No. 5684
CP. No. 4557

Place : Kolkata
Date : 16/02/2018

ANJAN KUMAR ROY & CO.
COMPANY SECRETARIES

'Annexure A'
(To the Secretarial Audit Report of M/s. Vesuvius India Limited for the financial year ended 31/12/2017)

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

Our Secretarial Audit Report for the financial year ended 31/12/2017 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure 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

Place : Kolkata
Date : 16/02/2018

Office Address : DPS Business Centre, 9A, Sebak Baidya Street, Kolkata - 700 029 E-mail: akroyco@yahoo.co.in/ anjanroy_2003@yahoo.co.in/anjankumarroyco@hotmail.com. Land Ph. No. 033 2475 0112. Hand Held Nos. 9830201949/9831891949.

ANNEXURE - IV

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on December 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN No	:	L26933WB1991PLC052968
ii)	Registration Date	:	6th September, 1991
iii)	Name of the Company	:	VESUVIUS INDIA LIMITED
iv)	Category / Sub-Category of the Company	:	
v)	Address of Registered Office and contact details	:	P-104 Taratala Road, Kolkata 700 088, West Bengal, INDIA Phone : +91 33 30410600 Fax : +91 33 2401 3976 Email : vesuviusindia@vesuvius.com Website : www.vesuviusindia.com
vi)	Whether Listed company	:	YES. Listed on Bombay & National Stock Exchange
vii)	Name, Address and contact details of Registrar and Transfer Agent	:	M/s C B Management Services (P) Limited P-22 Bondel Road, Kolkata 700 019, West Bengal, INDIA Phone : +91 33 40116700/ 6711/ 6718/ 6723 Fax : +91 33 40116739 Email : rta@cbmsl.com Website : www.cbmsl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All business activities contribution 10% or more of the total turnover of the company shall be stated :

Sl. No	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacture & sale of refractory	2391	96.6 %
2	Services		3.4 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL.No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1	Vesuvius Group Limited 165 Fleet Street London EC4A 2AE, UK	NA	Holding company	55.57	section 2(87)(ii)
2	Vesuvius Financial 1 Limited (formerly, Cookson Financial Limited) 165 Fleet Street London EC4A 2AE, UK	NA	Holding company	Nil	section 2(87)(ii)
3	Vesuvius Holdings Limited (formerly, Cookson Group plc) 165 Fleet Street London EC4A 2AE, UK	NA	Holding company	Nil	section 2(87)(ii)
4	Vesuvius plc 165 Fleet Street London EC4A 2AE, UK	NA	Holding company	Nil	section 2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No of shares held at the beginning of the year				No of shares held at the end of the year				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual /HUF									
b) Central Government									
c) State Governments									
d) Bodies corporate									
e) Banks /Financial Institutions									
f) Any Other									
Sub-total (A) (1) :	0	0	0	0	0	0	0	0	0

Category of Shareholders	No of shares held at the beginning of the year				No of shares held at the end of the year				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals									
b) Other- Individuals									
c) Bodies Corporates	11277650	0	11277650	55.57	11277650	0	11277650	55.57	0.00
d) Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2) :	11277650	0	11277650	55.57	11277650	0	11277650	55.57	0.00
Total Shareholding of Promoter (A) (A) = (A)(1) + (A)(2)	11277650	0	11277650	55.57	11277650	0	11277650	55.57	0.00
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	3663569	800	3664369	18.05	3874192	100	3874292	19.09	1.04
b) Banks / Financial Institutions	1066	600	1666	0.01	5416	600	6016	0.03	0.02
c) Central Government(s)			0	0.00			0	0.00	0.00
d) State Government(s)			0	0.00			0	0.00	0.00
e) Venture Capital Funds			0	0.00			0	0.00	0.00
f) Insurance Companies	1848	0	1848	0.01	288260	0	288260	1.42	1.41
g) Foreign Institutional Investors (FII)	85876	0	85876	0.42	104172	0	104172	0.51	0.09
h) Foreign Venture Capital Funds			0	0.00			0	0.00	0.00
i) Others (Specify)									
Foreign Portfolio Investors	1544465	0	1544465	7.61	34588	0	34588	0.17	-7.44
Overseas Corporate Body (OCB)	0	80	80	0.00	0	80	80	0.00	0.00
Alternate Investment funds	0	0	0	0.00	67300	0	67300	0.33	0.33
Sub-total (B) (1) :	5296824	1480	5298304	26.11	4373928	780	4374708	21.56	-4.55
(2) Non-Institutions									
a) Bodies Corporates									
i) Indian	1060344	61196	1121540	5.53	1526755	60543	1587298	7.82	2.29
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs 2 lakh	1711704	333202	2044906	10.08	1815971	240889	2056860	10.13	0.05
ii) Individual shareholders holding nominal share capital in excess of Rs 2 Lakh	418956	0	418956	2.06	771289	35293	806582	3.97	1.91
c) Others (specify)									
1. NRI	132707	0	132707	0.65	123520	0	123520	0.60	-0.05
2. Clearing Member	1617	0	1617	0.01	23071	0	23071	0.12	0.11
3. Trust	400	0	400	0.00	704	0	704	0.00	0.00
4. IEPF Authority	0	0	0	0.00	45687	0	45687	0.24	0.24
Sub-total (B) (2) :	3325728	394398	3720126	18.33	4306997	336725	4643722	22.88	4.55
Total Public Shareholding (B) (B) = (B)(1) + (B)(2)	8622552	395878	9018430	44.43	8680925	337505	9018430	44.43	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A+B+C)	19900202	395878	20296080	100.00	19958575	337505	20296080	100.00	0.00

(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of Shares	% of total shares of Company	% of shares Pledged/ encumbered to total shares	No of Shares	% of total shares of Company	% of shares Pledged/ encumbered to total shares	
1	Vesuvius Group Limited	11277650	55.57	Nil	11277650	55.57	Nil	Nil
	TOTAL	11277650	55.57	Nil	11277650	55.57	Nil	Nil

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FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN *(Contd.)*
as on the financial year ended on December 31, 2017

(iii) Change in Promoter's Shareholding (please specify if there is no change)

Sl No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	At the beginning of the year	11277650	55.57	11277650	55.57
	Date wise increase/decrease in Promoters Share holding during the year specifying reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc) :	No Change in Shareholding during the Year			
	At the end of the year	11277650	55.57	11277650	55.57

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of Company	No of Shares	% of total shares of Company
1	HDFC Trustee Company Ltd - A/C HDFC MID-CAP Opportunities Fund				
	a) At the Beginning of the Year	1111500	5.48		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the year			1111500	5.48
2	RELIANCE CAPITAL TRUSTEE CO. LTD. - A/C RELIANCE TAX SAVER				
	a) At the Beginning of the Year	791955	3.90		
	b) Changes during the Year				

Date	Reason	No of Shares	% Change		
06.01.2017	Buy	1208	0.15	793163	3.91
27.01.2017	Buy	434	0.05	793597	3.91
03.02.2017	Buy	16403	2.07	810000	3.99
03.03.2017	Buy	24641	3.04	834641	4.11
10.03.2017	Buy	3389	0.41	838030	4.13
17.03.2017	Buy	5284	0.63	843314	4.16
24.03.2017	Buy	9396	1.11	852710	4.20
31.03.2017	Buy	205241	24.07	1057951	5.21
07.04.2017	Buy	1741	0.16	1059692	5.22
21.04.2017	Buy	2308	0.22	1062000	5.23
19.05.2017	Buy	27000	2.54	1089000	5.37
26.05.2017	Buy	326	0.03	1089326	5.37
02.06.2017	Buy	674	0.06	1090000	5.37
18.08.2017	Buy	170000	15.60	1260000	6.21
25.08.2017	Buy	5791	0.46	1265791	6.24
27.10.2017	Buy	1666	0.13	1267457	6.24
03.11.2017	Buy	10543	0.83	1278000	6.30
10.11.2017	Buy	1128	0.09	1279128	6.30
17.11.2017	Buy	5000	0.39	1284128	6.33
24.11.2017	Buy	2000	0.16	1286128	6.34
08.12.2017	Sell	103530	8.05	1182598	5.83

	c) At the end of the year			1182598	5.83

Sl No	For each of the Top 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
3	ACACIA INSTITUTIONAL PARTNERS, LP						
	a) At the Beginning of the Year			468000	2.31		
	b) Changes during the Year						
		Date	Reason	No of Shares	% Change		
		31.03.2017	Sell	67576	14.44	400424	1.97
		21.04.2017	Sell	2924	0.73	397500	1.96
		28.04.2017	Sell	31061	7.81	366439	1.81
		05.05.2017	Sell	23852	6.51	342587	1.69
		19.05.2017	Sell	3713	1.08	338874	1.67
		02.06.2017	Sell	2873	0.85	336001	1.66
		16.06.2017	Sell	75899	22.59	260102	1.28
		23.06.2017	Sell	104102	40.02	156000	0.77
				REMOVED FROM TOP 10 LIST ON 07.07.2017			
4	CATAMARAN MANAGEMENT SERVICES PRIVATE LIMITED						
	a) At the Beginning of the Year			450729	2.22		
	b) Changes during the Year						
		Date	Reason	No of Shares	% Change		
		23.06.2017	Buy	159000	35.28	609729	3.00
		08.12.2017	Buy	117929	19.34	727658	3.59
	c) At the end of the year					727658	3.59
5	HDFC TRUSTEE COMPANY LTD - HDFC LONG TERM ADVANTAGE FUND						
	a) At the Beginning of the Year			420000	2.07		
	b) Changes during the Year			NO CHANGE DURING THE YEAR			
	c) At the end of the year					420000	2.07
6	UTI-MID CAP FUND						
	a) At the Beginning of the Year			278915	1.37		
	b) Changes during the Year						
		Date	Reason	No of Shares	% Change		
		26.05.2017	Sell	41673	14.94	237242	1.17
		23.06.2017	Sell	3595	1.52	233647	1.15
				REMOVED FROM TOP 10 LIST ON 01.12.2017			
7	ACACIA PARTNERS, LP						
	a) At the Beginning of the Year			263908	1.30		
	b) Changes during the Year						
		Date	Reason	No of Shares	% Change		
		03.02.2017	Sell	13785	5.22	250123	
				REMOVED FROM TOP 10 LIST ON 24.03.2017. CAME BACK INTO LIST ON 23.06.2017 WITH 149897 SHARES (0.74%) AGAIN REMOVED FROM LIST ON 07.07.2017			
8	ACACIA CONSERVATION FUND LP						
	a) At the Beginning of the Year			240745	1.19		
	b) Changes during the Year						
		Date	Reason	No of Shares	% Change		
		05.05.2017	Sell	12321	5.12	228424	
		19.05.2017	Sell	1919	0.84	226505	
				REMOVED FROM TOP 10 LIST ON 23.06.2017			
9	ACACIA BANYAN PARTNERS						
	a) At the Beginning of the Year			231505	1.14		
	b) Changes during the Year						
		Date	Reason	No of Shares	% Change		
		31.03.2017	Sell	24152	10.43	207353	1.02
		21.04.2017	Sell	1045	0.50	206308	1.02
		28.04.2017	Sell	11105	5.38	195203	0.96
		05.05.2017	Sell	8522	4.37	186681	0.92
		19.05.2017	Sell	1327	0.71	185354	0.91
				REMOVED FROM TOP 10 LIST ON 23.06.2017			

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EXTRACT OF ANNUAL RETURN *(Contd.)*
as on the financial year ended on December 31, 2017

Sl No	For each of the Top 10 Shareholders			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
10	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE CAPITAL BUILDER Fund-SR C						
	a) At the Beginning of the Year			223741	1.10		
	b) Changes during the Year						
		Date	Reason	No of Shares	% Change		
		23.06.2017	Buy	50000	22.35	273741	1.35
		29.09.2017	Sell	3205	1.17	270536	1.33
				REMOVED FROM TOP 10 LIST ON 06.10.2017			
11	RELIANCE CAPITAL TRUSTEE CO. LTD - A/C RELIANCE EQUITY OPPORTUNITIES FUND						
	a) At the Beginning of the Year			(Not in Top 10 list)	0	0.00	
	b) Changes during the Year						
		Date	Reason	No of Shares	% Change		
				Came into Top 10 list on 06.10.2017			
		06.10.2017	Buy	270536	1.33		
	c) At the end of the year					270536	1.33
12	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE CAPITAL BUILDER FUND - SR B						
	a) At the Beginning of the Year			(Not in Top 10 list)	160000	0.79	
	b) Changes during the Year						
				Came into Top 10 list on 24.03.2017 and Removed from Top 10 List on 18.08.2017			
13	RELIANCE NIPPON LIFE INSURANCE COMPANY LIMITED						
	a) At the Beginning of the Year			(Not in Top 10 list)	0	0.00	
	b) Changes during the Year						
				Came into Top 10 list on 28.07.2017			
		Date	Reason	No of Shares	% Change		
		28.07.2017	Buy	149696	0.74	149696	0.74
		04.08.2017	Buy	3	0.00	149699	0.74
		11.08.2017	Sell	1	0.00	149698	0.74
		18.08.2017	Buy	157	0.10	149855	0.74
		25.08.2017	Buy	192	0.13	150047	0.74
		01.09.2017	Buy	49	0.03	150096	0.74
		08.09.2017	Sell	202	0.13	149894	0.74
		15.09.2017	Sell	34	0.02	149860	0.74
		22.09.2017	Sell	513	0.34	149347	0.74
		06.10.2017	Buy	3659	2.45	153006	0.75
		13.10.2017	Sell	213	0.14	152793	0.75
		20.10.2017	Sell	43	0.03	152750	0.75
		27.10.2017	Buy	28	0.02	152778	0.75
		03.11.2017	Sell	189	0.12	152589	0.75
		10.11.2017	Sell	437	0.29	152152	0.75
		17.11.2017	Buy	4	0.00	152156	0.75
		08.12.2017	Buy	30848	20.27	183004	0.90
		15.12.2017	Buy	5	0.00	183009	0.90
		29.12.2017	Sell	12	0.01	182997	0.90
	c) At the end of the year					182997	0.90

Sl No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
14	RELIANCE CAPITAL TRUSTEE CO. LTD A/C RELIANCE CLOSE ENDED EQUITY FUND SERIES A				
	a) At the Beginning of the Year	(Not in Top 10 list)	41000	0.20	
	b) Changes during the Year				
	Date	Reason	No of Shares	% Change	
		Came into Top 10 list on 01.12.2017 with balance 141000 shares			
	c) At the end of the year			141000	0.69
15	URGITA MASTER				
	a) At the Beginning of the Year	(Not in Top 10 list)	110000	0.54	
	b) Changes during the Year				
	Date	Reason	No of Shares	% Change	
		Came into Top 10 list on 23.06.2017			148500
	30.06.2017	Buy	250	0.23	148750 0.73
	07.07.2017	Buy	54750	36.81	203500 1.00
	14.07.2017	Buy	1000	0.49	204500 1.01
	28.07.2017	Buy	15750	7.70	220250 1.09
	11.08.2017	Buy	750	0.34	221000 1.09
	18.08.2017	Buy	100	0.05	221100 1.09
	08.09.2017	Buy	150	0.07	221250 1.09
	15.09.2017	Buy	750	0.34	222000 1.09
	27.10.2017	Buy	938	0.42	222938 1.10
	03.11.2017	Buy	1312	0.59	224250 1.10
	17.11.2017	Buy	250	0.11	224500 1.11
	24.11.2017	Buy	250	0.11	224750 1.11
	08.12.2017	Buy	250	0.11	225000 1.11
	15.12.2017	Buy	250	0.11	225250 1.11
	c) At the end of the year				225250 1.11
16	HDFC SMALL CAP FUND				
	a) At the Beginning of the Year	(Not in Top 10 list)	148420	0.73	
	b) Changes during the Year				
	Date	Reason	No of Shares	% Change	
		Came into Top 10 list on 07.07.2017 with 148420 shares			
	c) At the end of the year				148420 0.73
17	SUDHIR ENTERPRISES PRIVATE LIMITED				
	a) At the Beginning of the Year	(Not in Top 10 list)	144000	0.71	
	b) Changes during the Year				
	Date	Reason	No of Shares	% Change	
		NO CHANGE DURING THE YEAR			
		Came into Top 10 list on 07.07.2017 with 144000 shares Removed from List on 28.07.2017 Again came into list on 18.08.2017			
	c) At the end of the year				144000 0.71

(v) Shareholding of Directors and Key Managerial Personnel

Sl No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	Mr Biswadip Gupta, Director & Chairman				
	a) At the Beginning of the Year	38749	0.191		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the year			38749	0.191
2	Mr Sanjoy Dutta, Chief Financial Officer				
	a) At the Beginning of the Year	3200	0.016		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the year			3200	0.016

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as on the financial year ended on December 31, 2017

Sl No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
3	Mrs Monika Dutta Wife of Mr Sanjoy Dutta, Chief Financial Officer				
	a) At the Beginning of the Year	3300	0.016		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the year			3300	0.016
4	Mr Taposh Roy, Company Secretary				
	a) At the Beginning of the Year	1	0.000		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the year			1	0.000

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year i.e. on 01.01.2017				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the Financial Year				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the Financial Year i.e as on 31.12.2017				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Wholetime Directors and/or Manager :

Sl No	Particulars of Remuneration	Name of the Managing Director Mr Subrata Roy	Total Amount
1	Gross Salary	Rs	Rs
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	13599679	13599679
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	645818	645818
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - As a % of Profit	Nil	Nil
	- Others, specify	Nil	Nil
5	Others, please specify	Nil	Nil
	TOTAL (A)	14245497	14245497
	Ceiling as per the Act		Rs 48459058

B. Remuneration to other Directors :

Sl No	Particulars of Remuneration	Names of the Directors			Total Amount
		Biswadip Gupta	Sudipto Sarkar	Nayantara Palchoudhuri	
		Rs	Rs	Rs	Rs
	Independent Directors				
	Fee for attending Board/Committee meetings	470000	400000	470000	1340000
	Commission	925000	700000	725000	2350000
	Others, please specify	0	0	0	0
	Total (1)	1395000	1100000	1195000	3690000

Sl No	Particulars of Remuneration	Names of the Directors			Total Amount
		Patrick Andre	Tanmay Ganguly	Francois Wanecq	
		Rs	Rs	Rs	Rs
	Other Non-Executive Directors				
	Fee for attending meetings of Board/Committees	0	0	0	0
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (2)	0	0	0	0
	TOTAL (B) = (1 + 2)	1395000	1100000	1195000	3690000
	Total Managerial Remuneration				3690000
	Overall Ceiling as per the Act				9691812

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	Chief Financial Officer	
1	Gross Salary	Rs	Rs	Rs	Rs
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	NA	4863865	8317495	13181360
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NA	225174	573560	798734
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NA			
2	Stock Option	NA			
3	Sweat Equity	NA			
4	Commission - As a % of Profit	NA			
	- Others, specify	NA			
5	Others, please specify	NA			
	TOTAL (A)	NA	5089039	8891055	13980094

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority RD/NCLT COURT	Appeals made if any (give details)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

ANNEXURE - V

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 savings in cost as well as reduction in energy consumption. Projects such as improvement of power factor from 0.96 to 0.99 through upgrade of capacitor banks resulted in savings. VISO curing load has been increased per cycle resulting in reduction of specific gas consumption. Introduction of square firing cans in SEN firing have led to an increase in approximately 13% loading per cycle leading to better specific gas consumption.

Precast firing cycles too have been optimized in Top Hat Oven A resulting in reduction of curing cycle hours and in reduction of gas consumption.

(ii) the steps taken by the company for utilising alternate sources of energy;

Lower cost fuels and energy sources which improve specific energy consumption are alternatively used in the manufacturing process. CFL lighting, turbo ventilators and other such low energy consumption items are used which have led to substantial reduction in electricity consumption.

(iii) the capital investment on energy conservation equipment;

Rs 58 lakhs has been incurred on energy saving equipment during the year.

(B) Technology absorption-

(i) *the efforts made towards technology absorption;*

Technologies like Tundish Gas Diffuser, X-MAT, Automatic powder feeder-(PDM) etc. have been used in the continuous casting process to enhance the steel cleanliness. “XMAT – Multiple measurement using Mould Audit Tool” is used to capture online the Sub Meniscus velocity, temperature and meniscus level inside the mould and analyse it with respect to the different casting parameters and conditions which can be decisive in improving the process stability and product quality in continuous casting process. The Vesuvius Powder Distribution Mechanism PDM300 is a portable feeding unit that ensures a constant and automatic distribution of casting powder on either side of the SEN for an optimal quality of the final product. Installation of latest generation 6 axis CNC has reduced SEN product processing time and eliminates all manual activities associated with SEN machining.

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

There have been import substitution and consistent quality of our products which conform to accepted international standards. These technology have also assisted in indigenising the components and raw material inputs and increased productivity. Our continuous endeavor at improvements in products and process parameters help us to enhance our technological strength for customer’s benefit.

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

Details of Technology Imported	Year of Import	Whether the technology been fully absorbed? If not fully absorbed, areas where absorption has not taken place and reasons thereof
Stopper with calibrated pipe	2010	Yes, fully commercialised
Semi-terrace port Sub-entry Nozzle	2010	Yes, fully commercialised
Pumpcast application technology	2010	Yes, fully commercialised
Device for Monitoring of breakthrough in blast furnace	2015	Yes, fully commercialised

(iv) *the expenditure incurred on Research and Development :* The Company does not have a Research and Development unit or any activity related to R&D in India. The Company does not incur any revenue or capital expenditure on R&D. All R&D support are received from the Vesuvius Group.

(C) Foreign exchange earnings and Outgo-

Foreign Exchange earned in terms of actual inflows during the year : Rs 22781 lakhs

Foreign Exchange outgo during the year in terms of actual outflows : Rs 27348 lakhs (including dividend remittance)

ANNEXURE -VI

PARTICULARS OF EMPLOYEES

For The Year Ended On December 31, 2017

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

Name	Age	No of shares held	Designation	Remuneration (Rs)	Qualification	Experience (years)	Date of commencement of employment	Previous employment & Position held
Top ten employees in terms of remuneration employed during the year & employees in receipt of remuneration aggregating Rs 1,02,00,000 per annum or more								
Saibal Bandyopadhyay	47	Nil	Chief Operations Officer	71,99,785	M.Tech (Polymer Science)	22	12.12.1995	First employment
P K Banerjee	59	Nil	Head-Blast Furnace Stack Advanced Refractories	46,68,378	BE (Mechanical)	35	19.02.1999	K.S.R. International (I) Ltd, Manager Services
Sudarshan Das	52	3500	Global Product Manager VISO / VAPEX Speciality Segment	93,08,402	BE (Metallurgy)	28	09.04.2007	Pyrotek Inc, Canada, Sales Manager [India & Other Asia]
Arijit Dutta	45	Nil	Financial Controller-Advanced Refractories	48,87,919	ACA	18	19.06.2006	Tata Chemicals Ltd, Manager Accounts
Sanjoy Dutta	56	6500	Chief Financial Officer	1,05,09,085	B.Com (Hons), ACA	31	24.06.1998	ICI India Ltd, Financial Controller
U K Shashi Kumar	47	800	Chief-Flow Control Sales	71,05,904	B.Tech (Metallurgy)	25	06.09.1994	Murugappa Morgan Thermal Ceramics Ltd, Sales Officer
Arunava Maitra	48	Nil	Chief-HR	61,90,756	MBM	22	23.05.1998	Titagarh Paper Mills, Personnel Executive
GSK Mohan	51	Nil	General Manager-Purchase	46,50,038	M.Tech (Metallurgy)	24	04.05.2002	Foseco India Ltd Regional Manager
Bikash Nandi	49	Nil	Chief-Advanced Refractory Sales	93,77,767	B.Tech (Ceramic Engg))	26	01.07.2000	Carborundum Universal Ltd, Assistant Manager
Subhabrata Nandi	44	Nil	Finance Controller-Flow Control	45,11,017	ACA	20	15.11.2004	SHV Energy Pvt Ltd Manager-Finance & Accounts
Subrata Roy	52	Nil	Managing Director	1,56,37,153	BE (Mechanical)	30	06.09.1993	BHEL, Sr Engineer
Taposh Roy	56	1	Company Secretary	59,39,249	B.Com (Hons), ACA, FCS	32	01.02.2001	BOC India Ltd, Company Secretary

Notes : 1. Nature of Employment and duties : Contractual and in accordance with terms and conditions as per Company's rules.

2. Remuneration received includes salary, allowances, leave encashed, Company's contribution to retirement funds etc. and monetary value of other perquisites computed on the basis of the Income Tax Act and Rules.

3. No employee is a relative of any Director or Key Managerial Personnel of the Company. Rule 5(2)(iii) of the captioned Rules is not applicable to any employee.

ANNEXURE -VI

PARTICULARS OF EMPLOYEES *(Contd.)*

For The Year Ended On December 31, 2017

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 : 89% Mr Patrick Andre : NA Mr T Ganguly : NA Miss N Palchoudhuri : 76% Mr Subrata Roy : 999% Mr Sudipto Sarkar : 70% Mr F Wanecq : NA
(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	:	Mr Biswadip Gupta : 8.98% Mr Patrick Andre : NA Mr T Ganguly : NA Miss N Palchoudhuri : 10.65% Mr Subrata Roy : 12.73% Mr S Sarkar : 12.82% Mr F Wanecq : NA Mr S Dutta, CFO : 5.13% Mr T Roy, CS : 5.50%
(iii) The percentage increase in the median remuneration of employees in the financial year;	:	10.25%
(iv) The number of permanent employees on the rolls of company;	:	450 employees as on 31.12.2017
(viii) 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 14 % Average increase of managerial persons is 7.50 % There are no exceptional circumstances in increase in managerial remuneration. Management personnel have availed of leave encashment during the year
(xii) Affirmation that the remuneration is as per the remuneration policy of the company.	:	Remuneration paid during the year ended on December 31, 2017 is as per the Remuneration Policy of the Company

ANNEXURE VII :

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

For The Year Ended On December 31, 2017

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs : The Corporate Social Responsibility ("CSR") Policy of the Company is available on the Company's website **www.vesuviusindia.com**

   The Policy entails CSR spending on :

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

2. The Composition of the CSR Committee : **Chairman** : Mr Biswadip Gupta

   Members : Mr Tanmay Ganguly,

   Miss Nayantara Palchoudhuri, Mr Subrata Roy and Mr Sudipto Sarkar

3. Average net profit of the Company for last three financial years : Rs 11188 lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : Rs 224 Lakhs

5. Details of CSR spent during the financial year :

   (a) Total amount spent for the financial year : Rs 26,00,000

   (b) Amount unspent, if any : Rs 198 lakhs

   (c) Manner in which the amount spent during the financial year is detailed below :

Sl No.		1	2	Total
1	CSR project or activity identified	Education & skill development for differently abled children	Aid for Cancer Patients	
2	Sector in which the Project is covered	Education & Skill Development	Health Care	
3	Projects or programs (1) Local area or other	Local	Local	
	(2) Specify the State and district where projects or programs was undertaken	Kolkata, West Bengal	Mumbai, Maharashtra	
4	Amount outlay (budget) project or programs wise	Rs 24,00,000	Rs 2,00,000	Rs 26,00,000
5	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs	Rs 24,00,000	Rs 2,00,000	Rs 26,00,000
	(2) Overheads:	Rs Nil	Rs Nil	Rs Nil
6	Cumulative expenditure upto the reporting period	Rs 24,00,000	Rs 2,00,000	Rs 26,00,000
7	Amount spent: Direct or through implementing agency	Indian Institute of Cerebral Palsy Rs 12 lakhs Ramkrishna Mission Shilpapitha Rs 12 lakhs	ANANDAM	

ANNEXURE VII :

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY *(Contd.)*

For The Year Ended On December 31, 2017

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. : The Company believes that CSR projects should be sustainable and with the long term purpose of improving the quality of living for the less privileged and for increasing social assets. Meetings have been held with agencies having all India presence to provide CSR support jointly with the employees of the Company to projects not only where the Company's factories are based but also around steel plants and other locations where the Company operates. The Company has so far selected The Indian Institute of Cerebral Palsy, Taratala Road, Kolkata, and Ramkrishna Mission Shilpapitha, Kolkata, as beneficiaries for CSR projects for their educational and skill development support and ANANDAM, Mumbai for Healthcare.

7. **Responsibility Statement :** The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Subrata Roy Managing Director	**Biswadip Gupta** Chairman, CSR Committee	**Arunava Maitra** Secretary, CSR Committee

Place : Kolkata
Date : February 15, 2018

ANNEXURE VIII :

MANAGING DIRECTOR'S CERTIFICATE

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

DECLARATION

As required under Regulation 34(3) read with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all Members of the Board of Directors of the Company and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended on December 31, 2017.

Place : Kolkata
Date : February 5, 2018

Subrata Roy
Managing Director

ANNEXURE IX :

BUSINESS RESPONSIBILITY REPORT - 2017

This Business Responsibility Report relating to the year ended on December 31, 2017 has been issued in compliance with the requirements of Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms a part of the Report of the Directors to the Members of the Company.

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	:	L26933WB1991PLC052968
2.	Name of the Company	:	Vesuvius India Limited
3.	Registered Office Address	:	P-104 Taratala Road, Kolkata 700088 West Bengal, INDIA
4.	Website		
	(a) The Vesuvius Group	:	www.vesuvius.com
	(b) Vesuvius India Limited	:	www.vesuviusindia.com
5.	Email ID	:	vesuviusindia@vesuvius.com
6.	Financial Year reported	:	December 31, 2017
7.	Sectors that the Company is engaged in (Industry activity code-wise)	:	Refractory products
8.	List three key products / services that the Company manufactures / provides (as in Balance Sheet)	:	Refractories consisting mainly of : (a) Shaped Refractories like shrouds, stoppers, pre-cast products, nozzles, crucibles (b) Unshaped Refractories like castables, taphole clay Repairs and maintenance services
9.	Total number of locations where business activity is undertaken by the Company		
	(a) Number of International locations	:	NIL.
	(b) Number of National locations	:	Four factories of which one in Kolkata, two in Visakhapatnam and one in Mehsana
10.	Markets served by the Company - Local / State / National / International	:	The Company supplies refractories and also provides maintenance services at the factories of major steel plants in India. Exports of products are made to USA, UK, Brazil, UAE, South Africa, Russia, China, Europe and South East Asia.

SECTION B : FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	:	Rs 20,29,60,800
2.	Total Turnover	:	Rs 96,274 lakhs
3.	Total Profit after tax	:	Rs 9,445 lakhs
4.	Total Spending on Corporate Social Responsibility as a percentage of profit after Tax	:	0.27%
5.	List of activities in which expenditure in (4) above has been incurred : (a) Education by contributing to Indian Institute of Cerebral Palsy (b) Education by contributing to Ramkrishna Mission Shilpapitha (c) Healthcare by contributing to ANANDAM		

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

ANNEXURE IX :

BUSINESS RESPONSIBILITY REPORT - 2017 *(Contd.)*

SECTION D : BUSINESS RESPONSIBILITY (" BR") INFORMATION

1.	Details of the Director responsible for BR	:	Mr Subrata Roy, Managing Director DIN No: 07046994 Email ID: vesuviusindia@vesuvius.com Phone : +91 33 30410600
2.	Principle-wise (as per NVGs) BR Policy		
	(a) Details of Compliances	:	The Company does not have in place a Business Responsibility Policy as yet.
	(b) Explain why there is no Policy	:	Vesuvius plc, our ultimate holding company, has a Responsibility Reporting in their Annual Report which requires all companies including Vesuvius India to follow their guidelines for a comprehensive Business Responsibility compliance. Since the Business Responsibility Reporting Policy is not mandatory, the Company has not formulated a separate policy as yet, but follows the guidelines of the ultimate holding company.
3.	Governance related to BR		
	(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess BR performance of the Company	:	At each quarterly Board meetings, the Managing Director's presentation includes business responsibility reporting
	(b) Does the company publish a BR or Sustainability Report ?	:	Vesuvius plc, our ultimate holding Company, in their Annual Report has a separate section on Business Responsibility

SECTION E : PRINCIPLE-WISE PERFORMANCE

	Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	
1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company's Policies on ethics, code of conduct, anti - bribery & corruption etc applies to the Company, its Directors and employees and also to all vendors, consultants and contractual personnel who represent or work on behalf of the Company.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	No complaints were received during the year
	Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities (a), (b), (c)	a) Improved efficiency while reducing refractory consumption per ton of steel b) Technology and improved manufacturing processes ensuring reduced energy consumption c) Reducing carbon dioxide emissions by steel plants
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	
	(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?	Continuous energy conserving programs through upgradation of capacitor banks, increased loading per cycle etc have improved power factor, reduced gas consumption, improved specific gas consumption, increased load per cycle etc. Reduced electricity consumption by 25000 Kwh by replacing CFL with LED lighting

3.	Does the company have procedures in place for sustainable sourcing (including transportation)?	There are long term sustainable contracts with large vendors for material supply. The MSME vendors, who are mostly local parties, are provided with technical and commercial support to continue timely and sustainable supplies
	(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	All inputs have sustainable contracts, agreements or arrangements in place
4.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes
	(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	In-time supply ensured that material at vendor's and our shop floor is minimal, thereby reducing their working capital requirements. Technical and commercial support and training is provided to enable small vendors to supply high quality products in time and follow safety, environment and technical standards. Support for acquiring costly machinery are made with assured and sustainable orders on these small vendors
5.	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Wood and metal products are recycled. Scrapped, broken or partly used refractory products are also recycled to the extent permitted by Quality Control team. Water is recycled for non-drinking use
	Principle 3 : Businesses should promote the wellbeing of all employees	
1.	Please indicate the Total number of employees.	450
2.	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis	1515
3.	Please indicate the Number of permanent women employees.	7
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?	1% as on 31.12.2017
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 to oversee this Policy. No complaints were received during the 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 No such labour	
2	Sexual harassment	NIL	NIL
3.	Discriminatory employment	Not Applicable Employment Policy prevents any discrimination	

ANNEXURE IX :

BUSINESS RESPONSIBILITY REPORT - 2017 *(Contd.)*

8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/ Temporary/Contractual Employees (d) Employees with Disabilities	All employees have to undergo training on Safety, Ethics, Code of Conduct and Anti-Bribery &Anti - Corruption. Technicians and personnel engaged in Marketing & Technology, New Product Development and water modelling are given training in India and abroad for skill upgradation
	Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	
1.	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	There are none
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	There is a constant engagement, audit and physical verifications of documents and compliances of all vendors and other stakeholders to ensure that they have a sustainable business, generate sufficient profits, provide appropriate remuneration and social security benefits to their employees, comply with all laws,safety, environment and ethical processes and supply products consistent with Vesuvius quality and specifications.
	Principle 5 : Businesses should respect and promote human rights	
1.	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?	The Remuneration Policy ensures that human rights are respected and adhered to by all stakeholders
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaints received during the year
	Principle 6 : Businesses should respect, protect and make efforts to restore the environment	
1.	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/NGOs/others.	This covers all companies within the Vesuvius Group as well as large and small vendors, customers and transporters
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N, If yes, please give hyperlink for webpage etc.	Vesuvius plc, the ultimate holding company, has strategies in place for all companies in the Group including Vesuvius India Ltd
3.	Does the company identify and assess potential environmental risks? Y/N	Yes. Risks include loss of major of unit due to acts of God, Government action and pollution concerns
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?	Air and water effluent are treated before discharge for which special plants have been installed at the factories. Water is recycled for non-drinking purposes.
5.	Has the company undertaken any other initiative on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes, there are constant improvements to reduce specific energy consumption, use of low cost fuel, reduced emissions, etc.
6.	Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, we have special treatment plants in our factories

7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	Nil
	Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	
1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, Indian Refractory Makers Association; The Bengal Chamber of Commerce & Industry; Confederation of Indian Industry (CII); Gujarat Chamber of Commerce and Chemical & Allied Export Promotion Council of India (CAPEXIL)
2.	Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic, Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. Representations are made to local bodies and State Government for improvement in local infrastructure, support to local schools through CSR initiatives, awareness of refractory products; its innovations new methods/systems through seminars. Representations are made to Central Government through Chambers of Commerce for updations and amendments in laws and processes for ease of business
	Principle 8 : Businesses should support inclusive growth and equitable development	
1.	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company has a CSR Policy. The Company engages local units for its MSME supplies
2.	Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?	So far through contributions to institutions, NGOs and Chambers of Commerce
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.	Rs 24,00,000 on education and Rs 2,00,000 on healthcare made under the CSR Policy.
5.	Have you taken steps to ensure that this community development initiative is success fully adopted by the community? Please explain in 50 words, or so.	Programs are done directly by employees of the Company or jointly with Institutions, NGOs, Chambers of Commerce and other self- help groups
	Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner	
1.	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	Nil complaints/consumer cases
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)	Technical literature and specification are submitted to our customers who are made aware of our products and its use and disposal process, since our products require higher technology and operate in very high temperatures
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Company regularly engages with customers to give them a better understanding of our products and capabilities and to improve upon them. Seminars and meetings are also held with customers to inform them of new technology, new processes, scope for improvements at steel plants etc

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VESUVIUS INDIA LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying Ind AS financial statements of Vesuvius India Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2017, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 47 of Ind AS financial statements with respect to receivable of Rs 1,978 lakhs from certain customers, currently under insolvency proceedings under the Insolvency and Bankruptcy Code, 2016, which the Company considers good and recoverable for the reasons stated in the aforesaid note.

   Our opinion is not qualified in respect of this matter.

Other Matter

10. The comparative financial information of the Company for the year ended December 31, 2016 and the transition date opening balance sheet as at January 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended December 31, 2016 and December 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated February 27, 2017 and February 26, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

12. 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, except that the backup of the books of accounts generated from the new accounting system introduced during the year has not been maintained on servers physically located in India.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to maintenance of accounts and matters connected therewith, reference is made to our comment in paragraph 12(b) above that the back-up of the books of accounts generated from the new accounting system introduced during the year has not been maintained on servers physically located in India.

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

(i) The Company has disclosed the impact, if any, of pending litigations as at December 31, 2017 on its financial position in its Ind AS financial statements - Refer Note 34;

(ii) The Company did not have any long-term contracts including derivative contracts as at December 31, 2017.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended December 31, 2017.

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

Sougata Mukherjee
Partner
Membership Number 057084

Gurugram
February 17, 2018

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 12(g) of the Independent Auditors' report of even date to the Members of Vesuvius India Limited on the Ind AS financial statements for the year ended December 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Vesuvius India Limited ("the Company") as of December 31, 2017 in conjunction with our audit of the Ind AS 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 over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting, 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting 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 control over financial reporting 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 Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2017, 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

Gurugram
February 17, 2018

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 of the Independent Auditors' report of even date to the Members of Vesuvius India Limited on the Ind AS financial statements as of and for the year ended December 31, 2017

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 Ind AS financial statements, are held in the name of the Company, except for leasehold land at Kolkata as stated in aforesaid Note 3, for which renewal of lease is under progress.

ii. The physical verification of inventory, except for goods in transit, have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT *(Contd.)*

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise value added tax as at December 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (In Rs Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Disallowances arising in income tax proceedings (Net of Deposits of Rs 14,282 lakhs)	1,052	Assessment Year 2007-08, to 2014-15	Commissioner of Income Tax (Appeals), Assessing officer
Central Excise Act, 1944	Disallowances of Cenvat credit	308	2006 to 2017	Central Excise and Service Tax Appellate Tribunal, Additional Commissioner, Assistant Commissioner, Commissioner (Appeals), Hon'ble Supreme Court of India
Central Excise Act, 1944	Non-payment of excise duty on Service charges and machine hire charges	108	2000	Central Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Classification of High Alumina Cement	108	2005 to 2011	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Non / short payment of service tax	12	2006 to 2008	Central Excise and Service Tax Appellate Tribunal
Central Sales Tax Act, 1956	Non-submission of forms (net of deposits of Rs 111 lakhs)	2,116	2005 to 2014	Sales Tax Appellate Tribunal, Commissioner (Appeals), Additional Commissioner (Appeals)
West Bengal Value Added Tax Act, 2003	Non-submission of forms (net of deposits of Rs 2 lakhs)	42	2011 to 2014	Sales Tax Appellate Tribunal, Commissioner (Appeals)
Andhra Pradesh Value Added Tax Act, 2005	Non-submission of forms	45	2010 to 2011, 2011 to 2012	Sales Tax Appellate Tribunal, Commissioner (Appeals)
Karnataka Value Added Tax Act, 2003	Denial of Inputs credits (Net of deposits of Rs 99 lakhs)	100	2005 to 2007	Hon'ble Supreme Court of India

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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 Ind AS financial statements as required under Indian Accounting Standard (IndAS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

Gurugram
February 17, 2018

Balance Sheet

as at December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

	Notes	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	3	**11,303**	12,426	13,078
(b) Capital work-in-progress	4	**3,809**	1,588	1,424
(c) Other intangible assets	5	**6**	11	3
(d) Financial assets				
(i) Loans	6	**97**	87	79
(ii) Other financial assets	7	**185**	226	184
(e) Non current tax asset (net)	8	**1,482**	1,357	730
(f) Deferred tax assets (net)	9	**935**	518	-
(g) Other non-current assets	10	**307**	379	371
Total non-current assets		**18,124**	16,592	15,869
(2) Current assets				
(a) Inventories	11	**9,474**	9,435	7,262
(b) Financial assets				
(i) Trade receivables	12	**21,994**	26,760	22,310
(ii) Cash and cash equivalents	13	**34,525**	16,857	11,300
(iii) Bank balances other than (ii) above	14	**48**	3,032	6,038
(iv) Loans	15	**28**	26	27
(v) Other financial assets	16	**216**	70	240
(c) Other current assets	17	**992**	1,557	1,008
Total current assets		**67,277**	**57,737**	**48,185**
Total assets		**85,401**	**74,329**	**64,054**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	18	**2,030**	2,030	2,030
(b) Other equity	18	**64,061**	56,150	48,965
Total equity		**66,091**	58,180	50,995
Liabilities				
(1) Non-current liabilities				
(a) Long-term provisions	19	**1,248**	1,184	780
Total non-current liabilities		**1,248**	1,184	780
(2) Current liabilities				
(a) Financial liabilities				
(i) Trade payables	20	**15,307**	12,047	10,292
(ii) Other financial liabilities	21	**1,426**	1,041	752
(b) Other current liabilities	22	**447**	947	831
(c) Short-term provisions	23	**10**	8	6
(d) Current tax liabilities (net)	24	**872**	922	398
Total current liabilities		**18,062**	14,965	12,279
Total liabilities		**19,310**	16,149	13,059
Total equity and liabilities		**85,401**	74,329	64,054

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 Price Waterhouse Chartered Accountants LLP
Chartered Accountants
Firm's Registration No. 012754N/N500016

Sougata Mukherjee
Partner
Membership No. 057084

Place: Gurugram
Date: February 17, 2018

For and on behalf of the Board of Directors
Vesuvius India Limited
CIN: L26933WB1991PLC052968

Subrata Roy
Managing Director
DIN : 07046994

Biswadip Gupta
Chairman
DIN : 00048258

Taposh Roy
Company Secretary

Sanjoy Dutta
Chief Financial Officer

Place: Kolkata
Date: February 16, 2018

Statement of Profit and Loss

for the year ended December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

	Notes	For the year ended December 31, 2017	For the year ended December 31, 2016
(a) Revenue from operations	25	**94,952**	89,498
(b) Other income	26	**1,322**	1,299
Total income		**96,274**	90,797
Expenses			
(a) Cost of materials consumed	27	**31,194**	31,071
(b) Purchase of stock-in-trade	28	**18,511**	14,785
(c) Changes in inventories of finished goods, work-in progress and stock-in-trade	29	**626**	(995)
(d) Employee benefits expense	30	**5,576**	5,358
(e) Depreciation and amortisation expense	31	**2,978**	2,745
(f) Excise duty recovered on sales		**3,825**	7,347
(g) Other expenses	32	**18,629**	16,882
Total expenses		**81,339**	77,193
Profit before exceptional items and tax		**14,935**	13,604
Exceptional items	49	**444**	-
Profit before tax		**14,491**	13,604
Tax expense			
- Current tax	42	**5,492**	5,140
- Deferred tax	42	**(446)**	(424)
Total tax expense		**5,046**	4,716
Profit for the year		**9,445**	8,888
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurements of post-employment benefit obligations	43	**83**	(271)
(b) Income-tax relating to above items	42	**(29)**	94
Other comprehensive income for the year, net of tax		**54**	(177)
Total comprehensive income for the year		**9,499**	8,711
Earnings per equity share: [Face value Rs. 10 each (2016: Rs. 10 each)]	33		
Basic earnings per share		**46.54**	43.79
Diluted earnings per share		**46.54**	43.79

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's Registration No. 012754N/N500016

Sougata Mukherjee
Partner
Membership No. 057084

Place: Gurugram
Date: February 17, 2018

For and on behalf of the Board of Directors
Vesuvius India Limited
CIN: L26933WB1991PLC052968

Subrata Roy
Managing Director
DIN : 07046994

Biswadip Gupta
Chairman
DIN : 00048258

Taposh Roy
Company Secretary

Sanjoy Dutta
Chief Financial Officer

Place: Kolkata
Date: February 16, 2018

Cash Flow Statement

for the year ended December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

Particulars	For the year ended December 31, 2017	For the year ended December 31, 2016
Cash flows from operating activities		
Net profit before tax	**14,491**	13,604
Adjustments for:		
Depreciation and amortisation expenses	**2,978**	2,745
Provision for doubtful trade receivables/advances	**35**	76
Provision for doubtful trade receivables written back	**(18)**	(69)
Bad debts	**-**	-
Loss/(gain) on sale/disposal/discard of property, plant and equipment (net)	**(1)**	45
Unrealised loss/(gain) foreign exchange differences (net)	**18**	(25)
Interest income on fixed deposits	**(1,241)**	(1,148)
Operating profit before working capital changes	**16,262**	15,228
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	**4,719**	(4,428)
Inventories	**(39)**	(2,173)
Loans - non-current and current	**(12)**	(7)
Other financial assets - Current	**(49)**	142
Other financial assets - Non Current	**41**	(42)
Other non current assets	**3**	(70)
Other current assets	**565**	(548)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	**3,272**	1,751
Other current liabilities	**(500)**	116
Other financial liabilities - current	**350**	158
Long-term and Short-term provisions	**149**	135
Cash generated from operations	**24,761**	10,262
Income taxes paid	**(5,667)**	(5,243)
Net cash from operating activities (A)	**19,094**	5,019
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment including capital advances	**(3,983)**	(2,128)
Proceeds from disposal of property, plant and equipment	**1**	16
Interest received	**1,144**	1,176
Redemption/(Purchase) of fixed deposits (with maturity more than three months)	**3,000**	3,000
Net cash from investing activities (B)	**162**	2,064
Cash flows from financing activities		
Dividend paid	**(1,319)**	(1,268)
Dividend tax paid	**(269)**	(258)
Net cash used in financing activities (C)	**(1,588)**	(1,526)
Net increase in cash and cash equivalents (A+B+C)	**17,668**	5,557
Cash and cash equivalents at the beginning of the year (refer note I below)	**16,857**	11,300
Cash and cash equivalents at the end of the year (refer note I below)	**34,525**	16,857

Notes to Cash Flow Statement

(Amount in Rupees Lakhs, unless stated otherwise)

	For the year ended December 31, 2017	For the year ended December 31, 2016
I. Components of cash and cash equivalents:		
Cash on hand	**1**	1
Balances with scheduled banks:		
- On current accounts	**3,524**	1,856
- On deposit accounts (deposits having original maturity of 3 months or less)	**31,000**	15,000
Cash and cash equivalents as per note 13	**34,525**	16,857

II. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) - Statement Cash Flows specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

III. Previous year's figures have been regrouped and/or rearranged wherever considered necessary to conform to current year's presentation.

The notes 1 to 49 form an integral part of the financial statements.
This is the Cash Flow Statement 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: Gurugram
Date: February 17, 2018

For and on behalf of the Board of Directors
Vesuvius India Limited
CIN: L26933WB1991PLC052968

Subrata Roy
Managing Director
DIN : 07046994

Biswadip Gupta
Chairman
DIN : 00048258

Taposh Roy
Company Secretary

Sanjoy Dutta
Chief Financial Officer

Place: Kolkata
Date: February 16, 2018

Statement of Changes in equity

for the year ended December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

A. Equity share capital

Description	Notes	Amount
As at January 1, 2016		2,030
Changes in equity share capital		-
As at December 31, 2016	18	**2,030**
Changes in equity share capital		-
As at December 31, 2017		**2,030**

B. Other equity

Description	Notes	Reserve and surplus				Total other equity
		Capital reserve	Securities premium account	General reserve	Retained earnings	
Balance at January 1, 2016		18	1,695	5,958	41,294	48,965
Profit for the year					8,888	8,888
Other comprehensive income					(177)	(177)
Total comprehensive income for the year	**18**	**-**	**-**	**-**	**8,711**	**8,711**
Dividends paid (Including dividend distribution tax thereon of Rs 258)					(1,526)	(1,526)
Transfers				871	(871)	-
Balance at December 31, 2016		**18**	**1,695**	**6,829**	**47,608**	**56,150**

Description	Notes	Reserve and surplus				Total other equity
		Capital reserve	Securities premium account	General reserve	Retained earnings	
Balance at January 1, 2017		**18**	**1,695**	**6,829**	**47,608**	**56,150**
Profit for the year		-	-	-	9,445	9,445
Other comprehensive income		-	-	-	54	54
Total comprehensive income for the year	**18**	-	-	-	9,499	9,499
Dividends paid (Including dividend distribution tax thereon of Rs 269)					(1,588)	(1,588)
Transfers		-	-	-	-	-
Balance as at December 31, 2017		**18**	**1,695**	**6,829**	**55,519**	**64,061**

The notes referred to above form an integral part of the financial statements.

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

For Price Waterhouse Chartered Accountants LLP
Chartered Accountants
Firm's Registration No. 012754N/N500016

Sougata Mukherjee
Partner
Membership No. 057084

Place: Gurugram
Date: February 17, 2018

For and on behalf of the Board of Directors
Vesuvius India Limited
CIN: L26933WB1991PLC052968

Subrata Roy
Managing Director
DIN : 07046994

Biswadip Gupta
Chairman
DIN : 00048258

Taposh Roy
Company Secretary

Sanjoy Dutta
Chief Financial Officer

Place: Kolkata
Date: February 16, 2018

Notes forming part of financial statements

for the year ended December 31, 2017

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

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.

2.1 Basis of preparation:

(i) Compliance with Ind AS

The 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] and other relevant provisions of the Act. These financial statements are the first financial statements under Ind AS.

The financial statements up to year ended December 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. Refer note 42 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(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 cycles of business activities of the Company, which is twelve months.

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. Estimates and underlying are reviewed on an ongoing basis. Any revision to accounting estimates in recognised prospectively in current and future periods.

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.

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at January 1, 2016 measured as per the previous GAAP (Indian GAAP) and use that carrying value as the deemed cost of the property, plant and equipment.

2.4 Capital Work in Progress

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its capital work in progress recognised as at January 1, 2016 measured as per the previous GAAP (Indian GAAP) and use that carrying value as the deemed cost of the capital work in progress.

2.4 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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 January 2016 measured as per the previous GAAP (Indian GAAP) and use that carrying value as the deemed cost of the intangible assets.

2.5 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 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 commencing from the date such asset is acquired for use in the Company.

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

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

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

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

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

2.6 Impairment of assets

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

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

2.7 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.

2.8 Revenue recognition

(i) Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. Revenue from the sale of goods is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

(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.

(iii) Interest income

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

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

(iv) Export incentives

Export incentives in the form of Duty Drawback scheme and Status Holder Incentive Scrip (SHIC) are recognised on accrual basis against goods exported. [Also see note Note 2.9 below]

2.9 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.

2.10 Taxes on income

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

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

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

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

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

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.

2.11 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.

Cost of non-accumulating compensated absences is recognised when absences occur. Costs of other short term employee benefits includes compensated leave balance which are en-cashable within one year period are recognised on accrual basis in accordance with the terms of employment contract and other relevant compensation policies followed by the Company."

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

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

(a) Defined contribution plans

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

The Company has a defined contribution employee retirement scheme in the form of pension. The Trustees of the scheme have entrusted the administration of the related fund to the Life Insurance Corporation of India (LICI). Contributions are deposited with the LICI and charged off on a monthly basis.

(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 actuaries using the projected unit credit method.

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

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

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

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

(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 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.

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

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.

2.12 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.

2.13 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.

2.14 Fair value measurement

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

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

2.15 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.

2.16 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.

2.17 Offsetting 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.

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

2.18 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 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.

2.19 Leases

As a lessee

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

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

As a lessor

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

2.20 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.

2.21 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.

2.22 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.

2.23 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.

2.24 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.

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

3. Property, plant and equipment

Particulars	Freehold land	Leasehold land	Freehold Buildings	Plant and equipments	Toolings	Furniture and fixtures	Vehicles	Office equipment including computers	Electrical installations	Total
Gross Block										
Balance as at January 1, 2016	274	189	3,680	7,503	841	96	1	215	279	13,078
Additions during the year	-	-	-	1,313	738	-	-	71	28	2,150
Discarded /disposed off during the year	-	-	53	7	-	-	-	1	-	61
Balance as at December 31, 2016	**274**	**189**	**3,627**	**8,809**	**1,579**	**96**	**1**	**285**	**307**	**15,167**
Balance as at January 1, 2017	274	189	3,627	8,809	1,579	96	1	285	307	15,167
Additions during the year	-	-	7	971	719	-	-	112	41	1,850
Discarded /disposed off during the year	-	-	-	-	-			-	-	-
Balance as at December 31, 2017	**274**	**189**	**3,634**	**9,780**	**2,298**	**96**	**1**	**397**	**348**	**17,017**
Accumulated depreciation										
Balance as at January 1, 2016	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	33	167	1,747	597	37	-	93	67	2,741
Accumulated depreciation on discard/ disposals	-	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2016	**-**	**33**	**167**	**1,747**	**597**	**37**	**-**	**93**	**67**	**2,741**
Balance as at January 1, 2017	-	33	167	1,747	597	37	-	93	67	2,741
Depreciation for the year	-	31	170	1,949	646	19		93	65	2,973
Accumulated depreciation on discard/ disposals	-	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2017	**-**	**64**	**337**	**3,696**	**1,243**	**56**	**-**	**186**	**132**	**5,714**
Net carrying amount										
Balance as at January 1, 2016	274	189	3,680	7,503	841	96	1	215	279	13,078
Balance as at December 31, 2016	274	156	3,460	7,062	982	59	1	192	240	12,426
Balance as at December 31, 2017	274	125	3,297	6,084	1,055	40	1	211	216	11,303

Note: (i) All the above assets are owned by the Company, except those specifically identified as leasehold.
(ii) Building includes carrying amount of Rs.1,955 (December 31, 2016: Rs 2,058 and at January 1, 2016: Rs 2,160) and Rs 126 (December 31, 2016: Rs 132 and at January 1, 2016: Rs 137) situated at leasehold lands at Kolkata and Mehsana respectively
(iii) Leasehold land includes 20187 sq metres of land at Kolkata for which renewal is under progress.

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

4. Capital work-in-progress

Particulars	Capital work-in-progress
Gross Block	
Balance as at January 1, 2016	1,424
Additions during the year	1,587
Capitalisation during the year	(1,423)
Balance as at December 31, 2016	**1,588**
Balance as at January 1, 2017	**1,588**
Additions during the year	3,352
Capitalisation during the year	(1,131)
Balance as at December 31, 2017	**3,809**

Note:
Includes Rs 969 paid to Andhra Pradesh Industrial Infrastructure Corporation Limited ("APIIC") for freehold land at Visakhapatnam for which agreement to sale has been executed. Request has been made to APIIC to complete appropriate infrastructure to enable commencement of project on this land and accordingly extending the time to complete the project. Management believes that APIIC will grant such extension.

5. Intangible assets

Particulars	Computer Software
Gross Block	
Balance as at January 1, 2016	3
Additions	12
Discard/disposals	-
Balance as at December 31, 2016	**15**
Balance as at January 1, 2017	**15**
Additions	-
Discard/disposals	-
Balance as at December 31, 2017	**15**
Accumulated amortiation	
Balance as at January 1, 2016	-
Depreciation for the year	4
Accumulated depreciation on discard/ disposals	-
Balance as at December 31, 2016	**4**
Balance as at January 1, 2017	**4**
Depreciation for the year	**5**
Accumulated depreciation on discard/disposals	-
Balance as at December 31, 2017	**9**
Net carrying amount	
Balance as at January 1, 2016	**3**
Balance as at December 31, 2016	**11**
Balance as at December 31, 2017	**6**

6. Loans - Non current

	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Unsecured - considered good			
Loans to employee	**97**	87	79
Total loans financial assets - Non current	**97**	87	79

7. Other financial assets - Non current

Unsecured - considered good			
Security Deposits	**185**	226	184
Total other financial assets - Non current	**185**	226	184

8. Non current tax asset (net)

Advance income tax and fringe benefit tax [net of provision for income tax and fringe benefit tax of Rs. 29,084 (December 31, 2016 is Rs. 22,660 and January 1, 2016 is Rs. 21,553)	**1,482**	1,357	730
Total non current tax asset (net)	**1,482**	1,357	730

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

9. Deferred tax (assets)/liabilities (net)	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Deferred tax liabilities			
Difference between written down value of depreciable assets as per books of account and written down value as per Income-tax Act		288	572
Deferred tax assets			
Difference between written down value of depreciable assets as per books of account and written down value as per Income-tax Act	**48**		
Expenditure allowable on payments basis	**681**	625	378
Provision for doubtful trade receivables, advances, etc.	**157**	181	193
Voluntary retirement expenses	**49**	-	1
	935	806	572
Total Deferred tax (assets)/liabilities (net)	**(935)**	(518)	-

10. Other non-current assets			
Capital advances	**-**	69	131
Prepaid expenses	**67**	75	17
Deposits against demand in disputes	**240**	235	223
Total other non-current assets	**307**	379	371

11. Inventories			
Raw Materials [including goods in transit Rs. 2,358 (December 31, 2016: Rs. 1,665 and January 1, 2016: is Rs. 1,217)]	**5,708**	4,878	3,729
Work-in-progress	**1,006**	1,120	836
Finished goods [including goods in transit Nil (December 31, 2016: Rs. 95 and January 1, 2016: Rs. 63)]	**1,028**	1,785	1,304
Stock-in-trade [including goods in transit Rs. 322 (December 31, 2016: Rs. 670 and January 1, 2016: Rs. 691)]	**1,367**	1,122	892
Stores and spares [including goods in transit Rs. 16 (December 31, 2016 is Rs. 36 and January 1, 2016: Rs. Nil)]	**365**	530	501
Total inventories	**9,474**	9,435	7,262

12. Trade receivables			
Trade receivables			
Receivables from related parties (refer note 37)	**1,421**	967	319
Unsecured, considered good			
Receivables from others			
Unsecured, considered good	**20,573**	25,793	21,991
Unsecured, considered doubtful	**407**	475	511
Less: Allowance for doubtful debts [refer note 40(A)]	**(407)**	(475)	(511)
Total trade receivables	**21,994**	26,760	22,310

(Amount in Rupees Lakhs, unless stated otherwise)

13. Cash and cash equivalents

	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Cash on hand	**1**	1	1
Balances with banks			
On current accounts	**3,524**	1,856	799
On deposit accounts (with original maturity of 3 months or less)	**31,000**	15,000	10,500
Total cash and cash equivalents	**34,525**	16,857	11,300

14. Other bank balances

On Unpaid dividend account *	**48**	32	38
Bank deposits due to mature after 3 months of original maturity but within 12 months of the reporting date	**-**	3,000	6,000
Total other bank balances	**48**	3,032	6,038

* Not available for use by the Company.

15. Loans - Current

Unsecured considered good			
Loans to employees	**28**	26	27
Total Loans - current	**28**	26	27

16. Other financial assets - Current

Unsecured considered good			
Interest accrued but not due on fixed deposits	**152**	55	83
Insurance claim receivable	**-**	15	102
Security deposit	**64**	-	44
Claims and refunds receivable	**-**	-	11
Total other financial assets - current	**216**	70	240

17. Other current assets

Advances to employees	**42**	49	49
Export benefit receivable	**137**	68	28
Prepaid expenses	**233**	294	237
Advances for supply of goods and services			
Unsecured, considered good	**302**	234	256
Unsecured, considered doubtful	**47**	47	47
Less: Provision for doubtful advances	**(47)**	(47)	(47)
Balances with statutory/government authorities	**278**	912	438
Total other current assets	**992**	1,557	1,008

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

18. Equity share capital and other equity

(A) Equity share capital

(a) Equity share capital

	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Authorised:			
25000000 (December 31, 2016: 25,000,000 and January 1, 2016: 25,000,000) Equity shares of Rs 10 each	**2,500**	2,500	2,500
	2,500	2,500	2,500
Issued:			
20,300,000 (December 31, 2016: 20,300,000 and January 1, 2016: 20,300,000) Equity shares of Rs 10 each	**2,030**	2,030	2,030
	2,030	2,030	2,030
Out of the above, 3,920 (December 31, 2016: 3,920 and January 1, 2016: 3,920) Equity shares of Rs 10 each are held in abeyance			
Subscribed and fully paid up			
20,296,080 (December 31, 2016: 20,296,080 and January 1, 2016: 20,296,080) Equity shares of Rs 10 each	**2,030**	2,030	2,030
	2,030	2,030	2,030

Note:

Shares held in abeyance

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

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

	December 31, 2017		December 31, 2016		January 1, 2016	
	No. of shares	**Amount**	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	**2,02,96,080**	**2030**	2,02,96,080	2030	2,02,96,080	2030
Shares issued during the year	**-**	**-**	-	-	-	-
At the end of the year	**2,02,96,080**	**2,030**	2,02,96,080	2,030	2,02,96,080	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.

(Amount in Rupees Lakhs, unless stated otherwise)

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

Shareholder	As at December 31, 2017		As at December 31, 2016		As at January 1, 2016	
	No. of shares	**% holding**	No. of shares	% holding	No. of shares	% holding
Vesuvius Group Limited, United Kingdom (U.K.) *#	**1,12,77,650**	**55.57%**	1,12,77,650	55.57%	1,12,77,650	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 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, 2017		As at December 31, 2016		As at January 1, 2016	
	No. of shares	**% holding**	No. of shares	% holding	No. of shares	% holding
- Vesuvius Group Limited, U.K., Immediate holding company	**1,12,77,650**	**55.57%**	1,12,77,650	55.57%	1,12,77,650	55.57%
- HDFC Trustee Company Limited	**18,25,820**	**9.00%**	18,28,720	9.01%	18,17,720	8.96%
- Reliance Capital Trustee Company Limited	**18,00,134**	**8.87%**	14,27,696	7.03%	8,43,058	4.15%
Total	**1,49,03,604**	**73.44%**	1,45,34,066	71.61%	1,39,38,428	68.68%

(B) Other equity

Reserves and surplus	**As at December 31, 2017**	As at December 31, 2016	As at January 1, 2016
Capital Reserves [Refer Note (a)]			
At the beginning and at the end of the year	**18**	18	18
Securities premium account [Refer Note (b)]			
At the beginning and at the end of the year	**1,695**	1,695	1,695
General reserve [Refer Note (c)]			
At the beginning of the year	**6,829**	5,958	5,958
Amount transferred from surplus	**-**	871	-
At the end of the year	**6,829**	6,829	5,958
Retained earnings [Refer Note (d)]			
At the beginning of the year	**47,608**	41,294	41,294
Profit for the year	**9,445**	8,888	
Other comprehensive income for the year	**54**	(177)	
Dividend paid including taxes thereon [Refer Note (e)]	**(1,588)**	(1,526)	
Transferred to General Reserve	**-**	(871)	
At the end of the year	**55,519**	47,608	41,294
Total Reserves and Surplus	**64,061**	56,150	48,965

Note

(a) Capital reserve

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

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

(b) Securities premium account

Securities premium account is used to record the premium on issue of shares. The same is 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 2017 the Company's shareholders have declared dividend of Rs. 6.50 per share (2016: Rs. 6.25 per share) which resulted in an outflow of Rs. 1,588 (2016: Rs. 1,526) including dividend distribution tax of Rs. 269 (2016: Rs. 258) 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.6.75 per share which would result in an outflow of Rs. 1,370 including dividend distribution tax of Rs. 279. Pending approval of the shareholders the same is not recognised in the financial statements.

19. Long-term provisions	**As at December 31, 2017**	As at December 31, 2016	As at January 1, 2016
Provision for employee benefits			
Gratuity (refer note 43)	**1,064**	1,025	671
Compensated absences (refer note 43)	**184**	159	109
Total long-term provisions	**1,248**	1,184	780

20. Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises (refer note 35)	**127**	77	134
(Ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**15,180**	11,970	10,158
Total Trade payables	**15,307**	12,047	10,292

21. Other financial liabilities - current			
Capital creditors	**250**	231	94
Unpaid dividend	**48**	32	38
Liability for other expenses	**1,128**	778	620
Total Other financial liabilities - current	**1,426**	1,041	752

(Amount in Rupees Lakhs, unless stated otherwise)

22. Other current liabilities	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Advance from customers	**209**	8	78
Other payables	**1**		
Statutory liabilities :			
Goods and services tax payable	**46**		
Excise duty and service tax payable	**-**	284	289
Sales tax, value added tax and entry tax payable	**-**	481	329
Tax deducted at source payable	**146**	134	100
Provident fund and employee state insurance payable	**45**	40	35
	237	939	753
Total Other current liabilities	447	947	831

23. Short-term provisions			
Provision for employee benefits			
Compensated absences (refer note 43)	**10**	8	6
Total short-term provisions	**10**	8	6

24. Current tax liabilities (net)			
Provision for income tax (net of advance tax of Rs. 11,300, December 31, 2016: Rs. 12,183 and January 1, 2016: Rs. 11,261)	**872**	922	398
Total current tax liabilities (net)	**872**	922	398

25. Revenue from Operations	for the year ended December 31, 2017	for the year ended December 31, 2016
Sale of products		
Finished goods (Manufactured goods)	**62,833**	61,353
Stock-in-trade (For trading)	**28,681**	25,100
Sale of products (A)	**91,514**	86,453
Sale of services	**3,222**	2,809
Sale of services (B)	**3,222**	2,809
Other operating revenue		
Export benefit	**162**	169
Scrap sales	**54**	67
Other operating revenue (C)	**216**	236
Break-up of revenue from sale of products		
Finished goods (Manufactured goods)		
Refractories (Shaped)	**36,714**	32,101
Refractories (Unshaped)	**26,119**	29,252
	62,833	61,353
Stock-in-trade (For trading)		
Refractories (Shaped)	**15,121**	12,538
Refractories (Unshaped)	**13,560**	12,562
	28,681	25,100
Sale of products	**91,514**	86,453
Break-up of revenue from services rendered		
Repairs and maintenance services	**3,222**	2,809
Total revenue from operations (A+B+C)	**94,952**	89,498

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

26. Other Income

	for the year ended December 31, 2017	for the year ended December 31, 2016
Interest income from financial assets carried at amortised cost :		
- Interest income on fixed deposits	**1,241**	1,148
- Interest income on others	**14**	18
Profit on sale of Property, plant and equipment [Net of loss on sale of Property, plant and equipment of Nil (previous year Nil)]	**1**	-
Other non-operating income *	**66**	133
Total other income	**1,322**	1,299

* Includes provision for doubtful trade receivable no longer required written back Rs. 18 (2016 Rs. 69)

27. Cost of materials consumed

Inventory of raw materials at the beginning of the year	**4,878**	3,729
Purchases	**32,024**	32,220
	36,902	35,949
Less: Inventory of raw materials at the end of the year	**5,708**	4,878
Total cost of materials consumed	**31,194**	31,071

28. Purchase of stock-in-trade

Purchase of stock-in-trade:		
Refractories (Shaped)	**9,373**	6,916
Refractories (Unshaped)	**9,138**	7,869
Total purchase of stock-in-trade	**18,511**	14,785

The above includes Rs. 7,289 (2016: Rs. 7,121) against certain arrangement which are in the nature of cancellable operating leases in terms of Appendix C to Ind AS 17.

29. Changes in inventory of finished goods, work-in progress and stock-in-trade

	for the year ended December 31, 2017			for the year ended December 31, 2016		
	Opening Inventory	**Closing Inventory**	**(Increase)/ Decrease in inventory**	Opening Inventory	Closing Inventory	(Increase)/ Decrease in inventory
Finished goods (Manufactured goods)						
Refractories (Shaped)	**1,519**	**920**	**599**	1,069	1,519	(450)
Refractories (Unshaped)	**266**	**108**	**158**	235	266	(31)
	1,785	**1,028**	**757**	1,304	1,785	(481)
Stock-in-trade (For trading)						
Refractories (Shaped)	**1,101**	**1,326**	**(225)**	834	1,101	(267)
Refractories (Unshaped)	**21**	**41**	**(20)**	58	21	37
	1,122	**1,367**	**(245)**	892	1,122	(230)
Work-in-progress						
Refractories (Shaped)	**674**	**600**	**74**	495	674	(179)
Refractories (Unshaped)	**446**	**406**	**40**	341	446	(105)
	1,120	**1,006**	**114**	836	1,120	(284)
Total changes in inventories of finished goods, work-in progress and stock-in-trade	**4,027**	**3,401**	**626**	3,032	4,027	(995)

(Amount in Rupees Lakhs, unless stated otherwise)

30. Employee benefits expense

	for the year ended December 31, 2017	for the year ended December 31, 2016
Salaries, wages and bonus	**4,272**	3,931
Contribution to provident and other funds (refer note 43)	**679**	549
Compensated absences (refer note 43)	**31**	103
Staff welfare expenses	**594**	775
Total employee benefits expense	**5,576**	5,358

31. Depreciation and amortisation expense

Depreciation on property, plant and equipment [refer note 3]	**2,973**	2,741
Amortisation of intangible assets [refer note 5]	**5**	4
Total depreciation and amortisation expense	**2,978**	2,745

32. Other expenses

Consumption of stores and spares *	**465**	541
Excise duty on changes in stock	**(211)**	61
Power and fuel	**1,942**	1,642
Freight	**4,253**	4,083
Site expenses	**4,868**	4,051
Rent (refer note 36)	**314**	278
Repairs to:		
Buildings	**140**	109
Machinery	**1,494**	1,030
Others	**112**	162
Insurance	**168**	164
Rates and taxes	**234**	337
Royalty, Trademark and License fees	**1,562**	1,454
Travelling and conveyance expenses	**1,564**	1,298
Legal and professional fees	**300**	304
Auditor's Remuneration [refer note below]	**60**	40
Commission	**88**	123
Directors' commission	**24**	23
Advertisement and sales promotion	**26**	84
Bank charges	**63**	64
Communication cost	**153**	146
Printing and stationery	**69**	52
Management fees	**333**	336
Loss on foreign exchange fluctuations	**216**	85
[Net of foreign exchange gain of **Rs. 444** (2016: Rs. 75)]		
Bad debts/provision for doubtful trade receivables/advances [Refer Note 40]	**35**	76
Loss on sale / discard of property, plant and equipment	**-**	45
Corporate social responsibility expenditure [refer Note 48]	**26**	12
Miscellaneous expenses	**331**	282
Total other expenses	**18,629**	16,882

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

Note: Auditor's Remuneration	for the year ended December 31, 2017	for the year ended December 31, 2016
As auditors :		
Statutory audit	30	18
Limited review of quarterly results	9	7
In other capacity:		
Group reporting	9	8
Audit of tax accounts	10	4
Reimbursement of expenses	2	3
	60	40

* Excludes stores and spares consumed and included under the head Repairs - Machinery Rs. 318 (2016: Rs. 408) and site expenses Rs. 662 (2016: Rs. 442)

33. Earnings per share (EPS)

Basic and diluted earning per share

The calculation of basic and diluted earnings per share for the year ended December 31, 2017 is based on the profit attributable to equity shareholders and weighted average number of equity shares outstanding.

	for the year ended December 31, 2017	for the year ended December 31, 2016
Earnings		
Profit after tax	**9,445**	8,888
Net profit attributable to equity shareholders for calculation of basic and diluted EPS	**9,445**	8,888
Shares		
Weighted average number of equity shares outstanding during the year for calculation of basic and diluted EPS (in nos.)	**2,02,96,080**	2,02,96,080
Basic and Diluted Earnings per share (in Rs)	**46.54**	43.79
Nominal value of Equity Share (in Rs)	**10**	10

34. 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, 2017	As at December 31, 2016	As at January 1, 2016	
a.	Sales tax/ Value added tax	**2515**	2,503	2,431	Demand received from appropriate authorities in relation to Sales tax/ VAT assessment and non submission of statutory forms.
b.	Other Income tax matters	**586**	1,512	1,027	Demands received from appropriate authorities in relation to Income Tax including transfer pricing assessments. Also refer note below.
c.	Excise duty, Custom duty and Service tax matters	**536**	493	427	Demands received from appropriate authorities in relation to Excise Duty, Custom Duty and Service Tax matters.
d.	Entry tax	**-**	63	-	Interest payable on entry tax liability

(Amount in Rupees Lakhs, unless stated otherwise)

(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, 2016: Rs.749, January 1, 2016 : Rs. 749) regarding certain disputes relating to goods supplied by the Company in prior years.

(b) Commitments	**As at December 31, 2017**	As at December 31, 2016	As at January 1, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances]	**84**	455	320

35. 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, 2017**	As at December 31, 2016	As at January 1, 2016
(a) The amounts remaining unpaid to micro and small suppliers as at the end of each accounting year			
-Principal	**127**	77	134
- Interest	**-**	-	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**-**	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	**-**	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	**-**	-	-

36. The Company has taken various premises under operating lease which are cancellable during the life of the contract at the option of both the parties. Minimum lease payment charged during the year to the Statement of Profit and Loss aggregated to Rs. 314 (2016: Rs. 278).

37. 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 and sale of refractories is the only operating segment.

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

Geographical Information

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

	Revenue from external customers		Non-current assets other than financial instruments, deferred tax and post employment benefit assets		
	For the year ended December 31, 2017	For the year ended December 31, 2016	**As at December 31, 2017**	As at December 31, 2016	As at January 1, 2016
India	**75,752**	73,618	**15,425**	14,404	14,876
Outside India	**19,200**	15,880			
	94,952	89,498	**15,425**	14,404	14,876

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.

37. 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 Limited, United Kingdom

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

Vesuvius Group Limited, United Kingdom, Immediate holding Company

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

Name of the related parties

Avemis SAS, France
Foseco (Thailand) Limited, Thailand
Foseco India Limited, India
Foseco Industrial E Commercial Ltda, Brazil
Foseco Korea Limited, South Korea
Foseco Philippines Inc, Philippines
Foseco Pty Limited, Australia
Pt. Foseco Indonesia, Indonesia
Sert Metal SAS , France
Vesuvius (Thailand) Co. Ltd, Thailand
Vesuvius Advanced Ceramics (China) Co. Ltd., China
Vesuvius Belgium N.V. Belgium
Vesuvius Corporation S.A. (Taiwan Branch), Switzerland

Vesuvius Corporation S.A., Switzerland
Vesuvius Crucible Company,USA
Vesuvius China Holdings Co. Limited, Hongkong
Vesuvius Emirates FZE, United Arab Emirates
Vesuvius Foundry Products (Suzhou) Co. Ltd., China
Vesuvius France S.A., France
Vesuvius GmbH, Germany
Vesuvius Group S.A., Belgium
Vesuvius Ibérica Refractarios S.A., Spain
Vesuvius Istanbul Sanayi ve Ticaret AS, Turkey
Vesuvius Italia S.P.A., Italy
Vesuvius Malaysia SDN. BHD, Malaysia
Vesuvius Mexico S.A. de C.V., Mexico
Vesuvius Poland Spólka 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
Wugang Vesuvius Advanced Ceramics (Wuhan) Co., Ltd, China
Yingkou Bayuquan Refractories Co., Ltd , China
Vesuvius Refratários Ltda, Brasil
Process Metrix LLC
Vesuvius Scandinavia AB, Sweden
Vesuvius Refractory India Private Limited
SIDERMES S.P.A, Italy

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
Mr. Subrata Roy - Managing Director
Mr. Sudipto Sarkar - Director
Mr. Tanmay Ganguly - Director
Mr. Francois Waneq - Director
Mr. Patrick Andre - Director
Ms. Nayantara Palchoudhuri - Director

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

B. Related party transactions for the year ended December 31, 2017

Name of the entity	Sale of goods / services	Purchase of goods/ property, plant and equipment	Dividend paid / payable	Other (Income)/ Expenses	Sale of goods / services	Purchase of goods/ property, plant and equipment	Dividend paid / payable	Other (Income)/ Expenses
Holding Company:								
Vesuvius Holdings Limited, United Kingdom	-	-	-	-	-	-	-	(1)
Immediate Holding Company:								
Vesuvius Group Limited, United Kingdom	-	-	733	-	-	-	705	-
Fellow Subsidiaries:								
Avemis SAS, France	-	311	-	-	-	58	-	-
Foseco (Thailand) Limited, Thailand	129	-	-	-	124	-	-	-
Foseco India Limited, India	3	11	-	27	-	1	-	51
Foseco Industrial E Commercial Ltda, Brazil	11	-	-	-	30	-	-	-
Foseco Korea Limited, South Korea	1	-	-	-	-	-	-	-
Foseco Philippines Inc, Philippines	3	-	-	-	4	-	-	-
Foseco Pty Limited, Australia	9	-	-	-	-	-	-	-
Pt. Foseco Indonesia, Indonesia	130	-	-	-	59	-	-	-
Sert Metal SAS, France	-	165	-	-	-	159	-	(1)
Vesuvius (Thailand) Co. Ltd, Thailand	554	-	-	-	512	-	-	-
Vesuvius Advanced Ceramics (China) Co. Ltd., China	290	100	-	-	-	48	-	-
Vesuvius Belgium N.V. Belgium	-	396	-	-	-	333	-	(5)
Vesuvius Corporation S.A. (Taiwan Branch), Switzerland	18	-	-	-	12	-	-	-
Vesuvius Corporation S.A., Switzerland	-	-	-	-	35	-	-	-
Vesuvius Crucible Company,USA	-	110	-	1,110	-	190	-	1,070
Vesuvius Emirates FZE, United Arab Emirates	65	-	-	-	109	-	-	-
Vesuvius Foundry Products (Suzhou) Co. Ltd., China	7	11	-	-	12	25	-	-
Vesuvius France S.A., France	-	56	-	-	-	47	-	-
Vesuvius GmbH, Germany	3,465	6	-	-	2,168	3	-	(22)
Vesuvius Group S.A., Belgium	-	1,515	-	930	-	395	-	776
Vesuvius Ibérica Refractarios S.A., Spain	47	2	-	-	-	-	-	-
Vesuvius Istanbul Sanayi ve Ticaret AS, Turkey	122	12	-	-	84	21	-	-
Vesuvius Italia S.P.A., Italy	673	3	-	-	176	25	-	-
Vesuvius Malaysia SDN. BHD, Malaysia	1,836	60	-	-	1,167	67	-	(17)
Vesuvius Mexico S.A. de C.V., Mexico	-	367	-	-	-	96	-	-
Vesuvius Poland Spólka z.o.o, Poland	47	1,054	-	-	15	704	-	-
Vesuvius Ras Al Khaimah FZ-LLC, United Arab Emirates	164	16	-	-	66	-	-	-
Vesuvius Slavia A.S., Czech Republic	64	3	-	-	97	84	-	-
Vesuvius South Africa (Pty) Limited, South Africa	442	9	-	-	221	-	-	-
Vesuvius UK Limited, United Kingdom	1,018	778	-	-	26	462	-	1
Vesuvius USA Corporation, USA	985	1,540	-	(108)	873	1,025	-	(56)
Wugang Vesuvius Advanced Ceramics (Wuhan) Co., Ltd, China	-	3,553	-	-	-	3,688	-	(1)
Yingkou Bayuquan Refractories Co., Ltd , China	-	908	-	-	-	65	-	-
Vesuvius Refratários Ltda, Brasil	-	-	-	-	3	-	-	-
Process Metrix LLC	-	194	-	-	-	-	-	-
Vesuvius China Holdings Co. Limited, Hongkong	-	-	-	(1)	-	-	-	(16)
Vesuvius Scandinavia AB, Sweden	33	-	-	-	-	-	-	-
Vesuvius Refractory India Pvt Ltd	-	-	-	(16)	-	-	-	-
Total	**10,116**	**11,180**	**733**	**1,942**	**5,793**	**7,496**	**705**	**1,779**

(Amount in Rupees Lakhs, unless stated otherwise)

Remuneration to Key Management Personnel	for the year ended December 31, 2017	for the year ended December 31, 2016
Short-term employee benefits	**177**	156
Post-employment benefits	**14**	12
Other long-term employee benefits	**2**	4
	193	172

B. Balances outstanding for the year ended December 31, 2017

Name of the entity	As at December 31, 2017		As at December 31, 2016		As at January 1, 2016	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)
Fellow Subsidiaries:						
Avemis SAS, France	-	(110)	-	-	-	-
Foseco (Thailand) Limited, Thailand	22	-	30	-	25	-
Foseco India Limited, India	-	(3)	-	(12)	1	(6)
Foseco Industrial E Commercial Ltda, Brazil	-	-	-	-	-	-
Foseco Korea Limited, South Korea	-	-	-	-	-	-
Foseco Philippines Inc, Philippines	-	-	1	-	-	-
Foseco Pty Limited, Australia	3	-	-	-	1	-
Pt. Foseco Indonesia, Indonesia	38	-	10	-	19	-
Sert Metal SAS, France	-	(9)	1	(38)		(1)
Vesuvius (Thailand) Co. Ltd, Thailand	170	-	160	-	39	-
Vesuvius Advanced Ceramics (China) Co. Ltd., China	20	(35)	-	-	-	-
Vesuvius Belgium N.V. Belgium	-	(128)	5	(133)	-	(51)
Vesuvius Corporation S.A. (Taiwan Branch), Switzerland	8	-	4	-	4	-
Vesuvius Corporation S.A., Switzerland	-	-	-	-	-	-
Vesuvius Crucible Company,USA	9	(248)	-	(274)	-	(204)
Vesuvius Emirates FZE, United Arab Emirates	48	-	128	-	18	(2)
Vesuvius Foundry Products (Suzhou) Co. Ltd., China	-	-	-	-	-	(15)
Vesuvius France S.A., France	-	(19)	-	(30)	1	(3)
Vesuvius GmbH, Germany	334	(3)	184	(1)	85	-
Vesuvius Group S.A., Belgium	-	(957)	11	(336)	-	(237)
Vesuvius Ibérica Refractarios S.A., Spain	-	(1)	-	-	-	-
Vesuvius Istanbul Sanayi ve Ticaret AS, Turkey	-	-	1	-	30	-
Vesuvius Italia S.P.A., Italy	73	-	72	-	-	(1)
Vesuvius Malaysia SDN. BHD, Malaysia	157	(6)	80	(15)	24	(6)
Vesuvius Mexico S.A. de C.V., Mexico	-	(121)	-	-		(225)
Vesuvius Poland Spólka z.o.o, Poland	-	(156)	6	(83)	-	(89)
Vesuvius Ras Al Khaimah FZ-LLC, United Arab Emirates	31	-	64	-	-	-
Vesuvius Slavia A.S., Czech Republic	-	-	54	-	-	(52)
Vesuvius South Africa (Pty) Limited, South Africa	178	(5)	52	-	12	-
Vesuvius UK Limited, United Kingdom	265	(123)	10	(93)	-	(50)
Vesuvius USA Corporation, USA	62	(416)	94	(359)	60	(111)
Wugang Vesuvius Advanced Ceramics (Wuhan) Co., Ltd, China	-	(504)	-	(978)	-	-
Yingkou Bayuquan Refractories Co., Ltd , China	-	(37)	-	-	-	-
Process Metrix LLC	-	(191)			-	-
Vesuvius Refractory India Pvt Ltd	3	-	-	-	-	-
Total	**1,421**	**(3,072)**	**967**	**(2,352)**	**319**	**(1,053)**

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

39. Fair value measurements

Financial instruments by category

Particulars	**As at December 31, 2017 Amortised cost**	As at December 31, 2016 Amortised cost	As at January 1, 2016 Amortised cost
Financial assets			
Loans - Non Current	**97**	87	79
Other financial assets - Non Current	**185**	226	184
Trade receivables	**21,994**	26,760	22,310
Cash and cash equivalents	**34,525**	16,857	11,300
Bank balances other than above	**48**	3,032	6,038
Loans - Current	**28**	26	27
Other financial assets - Current	**216**	70	240
Total financial assets	**57,093**	47,058	40,178
Financial liabilities			
Trade payables	**15,307**	12,047	10,292
Other financial liabilities	**1,426**	1,041	752
Total financial liabilities	**16,733**	13,088	11,044

(i) Fair value hierarchy

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

Financial assets and liabilities measured at amortised cost for which fair values are disclosed	**Level 3**	**Total**
As at December 31, 2017		
Financial assets		
Loans		
Loans to employees	97	97
Security deposits	185	185
Total financial assets	**282**	**282**
As at December 31, 2016		
Financial assets		
Loans		
Loans to employees	87	87
Security deposits	226	226
Total financial assets	**313**	**313**
As at January 1, 2016		
Financial assets		
Loans		
Loans to employees	79	79
Security deposits	184	184
Total financial assets	**263**	**263**

Note

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

(Amount in Rupees Lakhs, unless stated otherwise)

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, 2017		As at December 31, 2016		As at January 1, 2016	
	Carrying amount	**Fair value**	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Loans to employees	**97**	**97**	87	87	79	79
Security deposits	**185**	**185**	226	226	184	184
Total financial assets	**282**	**282**	313	313	263	263

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

The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Significant estimates

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

40. 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.

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

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 was Rs. 22,520 as at December 31, 2017, Rs. 27,169 as at December 31, 2016, being the total of the carrying amount of trade receivables and other 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	**December 31, 2017**	December 31, 2016
Balance at the beginning of the year	**475**	511
Additions during the year	**35**	73
Adjustments against Bad debts written off during the year	**(85)**	(40)
Reversals during the year	**(18)**	(69)
Balance at the end of the year	**407**	475

(B) Liquidity risk

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

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

(C) Market risk

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

(i) Foreign currency risk

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

(Amount in Rupees Lakhs, unless stated otherwise)

Exposure to foreign currency risk

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

Particulars	Foreign currency in Lakhs	Rupee equivalent in Lakhs
As at December 31, 2017		
Trade receivables		
USD	34	2,116
EURO	13	1,014
GBP	-	-
Trade payables		
USD	71	4,536
EURO	21	1,584
GBP	1	127
As at December 31, 2016		
Trade receivables		
USD	81	5,486
EURO	15	1,056
GBP	-	-
Trade payables		
USD	53	3,613
EURO	11	783
GBP	1	94

A 1% 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. 31 for the year ended December 31, 2017 (December 31, 2016: Rs. 21).

(ii) Interest rate risk

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

41. 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.

42. Income tax expense

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

Particulars	**December 31, 2017**	December 31, 2016
(a) Income tax expense		
Current tax		
Current tax on profits for the year	**5,492**	5,140
Total current tax expense	**5,492**	5,140
Deferred tax		
Decrease (increase) in deferred tax assets	**(129)**	(234)
(Decrease) increase in deferred tax liabilities	**(288)**	(284)
Total current tax expense	**(417)**	(518)
Income tax expense	**5,075**	4,622

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

Particulars	**December 31, 2017**	December 31, 2016
Current tax expense recognised in profit or loss		
Current tax on profits for the year	**5,492**	5,140
Total current tax expense (A)	**5,492**	5,140
Deferred tax expense recognised in profit or loss		
Deferred taxes	**(446)**	(424)
Total deferred tax expense recognised in profit or loss (B)	**(446)**	(424)
Deferred tax expense recognised in Other comprehensive income		
Deferred taxes	**29**	(94)
Total deferred tax expense recognised in Other comprehensive income (C)	**29**	(94)
Total deferred tax for the year (B+C)	**(417)**	(518)
Total income tax expense recognised in profit or loss (A+B)	**5,046**	4,716
Total income tax expense recognised in Other comprehensive income (C)	**29**	(94)
Total income tax expense (A+B+C)	**5,075**	4,622

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

Particulars	**December 31, 2017**	December 31, 2016
Profit before tax	**14,491**	13,604
Tax at the Indian tax rate of 34.608% (2015-2016 - 34.608%)	**5,015**	4,708
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Corporate social responsibility expenditure	**5**	2
Others	**26**	6
Income tax expense	**5,046**	4,716

43. 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. 431 (2016: Rs. 389).

(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.

(Amount in Rupees Lakhs, unless stated otherwise)

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

Particulars	Present value of obligation	Fair value of plan assets	Net amount
January 1, 2016	**1,381**	**710**	**671**
Current service cost	110	-	110
Interest expense/(income)	108	62	46
Total amount recognised in profit or loss	**218**	**62**	**156**
Remeasurements			-
Return on plan assets, excluding amounts included in interest expense/(income)	62	(1)	63
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	-	-	-
Actuarial (gain)/loss from unexpected experience	211	-	211
Total amount recognised in other comprehensive income	**273**	**(1)**	**274**
Employer contributions/ premium paid		76	(76)
Benefit payments	(30)	(30)	-
December 31, 2016	**1,842**	**817**	**1,025**
January 1, 2017	**1,842**	**817**	**1,025**
Current service cost	140	-	140
Interest expense/(income)	123	56	67
Total amount recognised in profit or loss	**263**	**56**	**207**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	12	(12)
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(119)	-	(119)
Actuarial (gain)/loss from unexpected experience	48	-	48
Total amount recognised in other comprehensive income	**(71)**	**12**	**(83)**
Employer contributions/ premium paid	-	85	(85)
Benefit payments	(20)	(20)	-
December 31, 2017	**2,014**	**950**	**1,064**

Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	**December 31, 2017**	December 31, 2016	January 1, 2016
Discount rate	**7.30%**	6.75%	7.90%
Salary growth rate	**8.00%**	8.00%	8.00%
Attrition rate	**Ages upto 40 : 6.20%** **Ages from 40-54 : 1.80%** **Ages from 55-60 : 2.2%**	Ages upto 40 : 6.20% Ages from 40-54 : 1.80% Ages from 55-60 : 2.2%	Ages upto 40 : 6.20% Ages from 40-54 : 1.80% Ages from 55-60 : 2.2%
Mortality rate	**Indian Assured Lives Mortality (2006-08) (modified)**	Indian Assured Lives Mortality (2006-08) (modified)	Indian Assured Lives Mortality (2006-08) (modified)

Assumptions regarding future mortality for gratuity and medical are set, based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a person retiring at age 60.

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

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, 2017		December 31, 2016		January 1, 2016	
	Increase	**Decrease**	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%) % change compared to base due to sensitivity	**(100)**	**107**	(97)	105	(71)	77
Salary growth rate (-/+ 0.5%) % change compared to base due to sensitivity	**106**	**(99)**	96	(103)	76	71

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The major categories of plan assets

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. Thus the composition of each major category of plan assets has not been disclosed.

Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

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.

(Amount in Rupees Lakhs, unless stated otherwise)

Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending December 31, 2018 :

The weighted average duration of the defined benefit obligation (gratuity) is 10.2 years (December 31, 2016 - 10.59 years, January 1, 2016 - 10.98 years). The expected maturity analysis of undiscounted gratuity is as follows:

	December 31, 2017	December 31, 2016	January 1, 2016
Year 1	**98**	55	43
Year 2	**66**	95	67
Year 3	**117**	63	89
Year 4	**187**	114	58
Year 5	**169**	183	107
Year 6 to 10	**1119**	977	745

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.

44. Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1, have been applied in preparing the financial statements for the year ended December 31, 2017, the comparative information presented in these financial statements for the year ended December 31, 2016 and in the preparation of an opening Ind AS Balance Sheet as at January 1, 2016 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Notes forming part of financial statements *(Contd.)*

for the year ended December 31, 2017

(Amount in Rupees Lakhs, unless stated otherwise)

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 January, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:
- Impairment of financial assets based on expected credit loss model.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the fact and circumstances that exists at the date of transition to Ind AS. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing on the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets on the basis of the fact and circumstances that exists at the date of transition to Ind AS. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of Equity

Particulars	Notes	December 31, 2016	January 1, 2016
Total equity (shareholder's funds) as per previous GAAP		56,821	49,698
Provisions for expected credit loss on trade receivables	1	(350)	(350)
Proposed dividend and dividend distribution tax thereon	2	1,588	1,526
Income-tax effect of the above items		121	121
Total adjustments		**1,359**	**1,297**
Total equity as per Ind AS		**58,180**	**50,995**

Reconciliation of total comprehensive income for the year ended December 31, 2016

Particulars	Notes to first-time adoption	December 31, 2016
Profit after tax as per previous GAAP		8,711
Adjustments:		
Remeasurement gains / losses on employee defined benefit plans	3	271
Income-tax effect of the above items		(94)
Total adjustments		**177**
Profit after tax as per Ind AS		**8,888**
Remeasurement gains / losses on employee benefits		(271)
Income-tax effect of the above items		94
Total comprehensive income as per Ind AS		**8,711**

Note

The following explains the material adjustments made while transition from previous accounting standards to Ind AS

1 As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts has increased and consequently, total equity as December 31, 2016, January 1, 2016 has decreased due to the same.

(Amount in Rupees Lakhs, unless stated otherwise)

2 Under the previous GAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events and accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is declared by the shareholders in the general meeting.

3 Under Ind AS, remeasurements gains or losses (i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability) are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year and accordingly profit for the year ended December 31, 2016 has decreased.

45. Provisions for taxation has been recognised with reference to profit for the year ended December 31, 2017, in accordance with the provisions of Income-tax Act, 1961 and rules framed thereunder. The ultimate tax liability for the year 2017-18 will be determined on the basis of total taxable income for the year ending March 31, 2018.

46. The management is of the opinion that its international transactions are at arm's length under the provision of Section 92-92F of the Income-tax Act, 1961.

47. The Company has receivables from certain customers against whom insolvency proceedings have been initiated during the year under the Insolvency and Bankruptcy Code, 2016 aggregating to Rs.1,978 (previous years: Nil). Considering the relationship with the said customers, criticality of the Company's products sold and amount collected from them, the management believes that the said receivables are good and carrying amount of the same is appropriate.

48. Corporate social responsibility expenditure

Particulars	**December 31, 2017**	December 31, 2016
Amount required to be spent as per Section 135 of the Act	**224**	202
Amount spent during the year on		
(i) Construction/acquisition of an asset		
(ii) On purposes other than (i) above	**26**	12
Total	**26**	12

49 Exceptional items

Exceptional item represents cost of Voluntary Separation Scheme as part of the restructuring activity initiated by the Company.

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: Gurugram
Date: February 17, 2018

Subrata Roy
Managing Director
DIN : 07046994

Biswadip Gupta
Chairman
DIN : 00048258

Taposh Roy
Company Secretary

Sanjoy Dutta
Chief Financial Officer

Place: Kolkata
Date: February 16, 2018

Five Years at a Glance

(Amount in Rupees Lakhs)

	For the years ended on				
	31.12.17	31.12.16	31.12.2015	31.12.2014	31.12.2013
STATEMENT OF PROFIT & LOSS					
Sales	**94,952**	89,498	69,972	65,223	60,119
Other Income	**1,322**	1,299	1,021	910	628
Total Revenue	**96,274**	90,797	70,993	66,133	60,747
Expenditure	**78,805**	74,448	57,434	55,228	50,853
PBIDT	**17,469**	16,349	13,559	10,905	11,657
Depreciation & Amortisation	**2,978**	2,745	2,322	1,912	1,756
Finance Cost	**0**	0	0	0	7
PBT	**14,491**	13,604	11,237	8,993	9,894
PAT	**9,445**	8,888	7,359	5,917	6,517
BALANCE SHEET					
Assets Employed					
Fixed Assets	**15,118**	14,025	14,505	15,183	13,896
Working Capital:					
Current Assets	**67,277**	57,737	48,535	41,317	35,412
Less : Current Liabilities	**18,062**	14,965	13,805	12,389	10,353
Working Capital Employed	**49,215**	42,772	34,730	28,928	25,059
Long Term loans & advances	**3,006**	2,567	1,364	1,313	2,451 (included above)
Total Assets Employed	**67,339**	59,364	50,599	45,424	41,406
Financed By :					
Shareholders' Funds					
Share Capital	**2,030**	2,030	2,030	2,030	2,030
Reserves & Surplus	**64,061**	56,150	47,668	41,903	37,684
Total of Shareholders' Funds	**66,091**	58,180	49,698	43,933	39,714
Non-Current Liabilities	**1,248**	1,184	901	1,491	1,692
Total Funds Employed	**67,339**	59,364	50,599	45,424	41,406
OTHER INFORMATION					
Dividend (Rs Lakhs)	**1,370**	1,319	1,268	1,421	964
Rate of Dividend (%)	**67.50%**	65.00%	62.50%	70.00%	47.50%
Number of Shareholders (nos)	**12,935**	12,125	11,907	11,647	12,006
Number of Employees (nos)	**450**	437	435	438	448
Earnings per share (EPS) (Rs)	**46.54**	43.79	36.26	29.15	32.10
Return on Capital Employed (ROCE) (%)	**14.37**	14.97	14.77	13.03	15.76

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