VESUVIUS

SEC/SEBI/48

March 28, 2019

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, 2018 which has been approved at the Board meeting held on February 27, 2019 and has been despatched to the shareholders of the Company today, March 28, 2019, as follows : :

1. Notice dated February 27, 2019 (pages 4 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 53)
3. Certificate on Corporate Governance by Practicing Company Secretary (page 36)
4. Secretarial Audit Report (pages 37 to 39)
5. Secretarial Compliance Report (pages 40 to 41)
6. Statutory Auditors Report (pages 54 to 59)
7. Audited Financial statements for the Financial year ended on December 31, 2018 and annexures thereto (pages 60 to 96)

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

Vikram Singh
Company Secretary

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VESUVIUS

VESUVIUS
Core Values & Behaviours

VESUVIUS

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Board of Directors

(as on February 27, 2019)

Biswadip Gupta
Chairman

Ritesh Dungarwal
Managing Director

Patrick Georges Felix Andre

Jan Roel van der Sluis

Tanmay Kumar Ganguly

Nayantara Palchoudhuri (Miss)

Sudipto Sarkar

VESUVIUS

Board of Directors
(as on February 27, 2019)

Biswadip Gupta, *Chairman*
Ritesh Dungarwal, *Managing Director*
Patrick Georges Felix Andre
Tanmay Kumar Ganguly
Nayantara Palchoudhuri (Miss)
Sudipto Sarkar
Jan Roel van der Sluis

Board Committees
(as on February 27, 2019)

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

Corporate Social Responsibility Committee
Biswadip Gupta, *Chairman*
Ritesh Dungarwal
Tanmay Kumar Ganguly
Nayantara Palchoudhuri (Miss)
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*
Ritesh Dungarwal
Tanmay Kumar Ganguly
Nayantara Palchoudhuri (Miss)
Sudipto Sarkar

Key Managerial Personnel
(as on February 27, 2019)

Ritesh Dungarwal, *Managing Director*
Sanjoy Dutta, *Chief Financial Officer*
Vikram Singh, *Company Secretary*

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

Cost Auditors
Jithendra Kumar & Co
Flat no 14, 2nd floor, "A" Block, Siva Durga Enclave
Chanumolu Venkata Rao flyover down right side
Beside Bhagynagar CNG station
KT Road, Vijaywada 520001

Secretarial Auditors
Anjan Kumar Roy & Co.
GR1, Gouri Bhaban,
28A Gurupada Halder Road
Kolkata 700 026

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/ 6720/ 6724
Fax : (033) 40116739
Email : rta@cbmsl.com, ranarc@cbmsl.co
Website : www.cbmsl.com

Registered Office
P-104 Taratala Road
Kolkata 700 088
Tel : (033) 30410600
Fax : (033) 2401 3976/ 1235
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 1235

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

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

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

VESUVIUS INDIA LIMITED

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

NOTICE OF ANNUAL GENERAL MEETING

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

Notice is hereby given that the twenty-eighth 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 Thursday, April 25, 2019 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, 2018, 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, 2018, the Balance Sheet as on that date and the Notes and Annexures thereto, the Cash Flow Statement for the year ended on December 31, 2018, the Statement of Changes in Equity for the year ended on December 31, 2018 and the Reports of Auditors and Directors thereon be and are hereby received and adopted."

2. To declare dividend for the year ended on December 31, 2018 and to pass the following resolution as an **Ordinary Resolution** :

   "RESOLVED that pursuant to the recommendation of the Directors, dividend at the rate of Rs 7/- per Equity Share of nominal value Rs 10/- each, out of the current profits of the Company for the year ended on December 31, 2018 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 18, 2019."

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."

SPECIAL BUSINESS

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

   "RESOLVED that pursuant to the provisions of sections 152, 160 and all other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereon, Mr Jan Roel van der Sluis (DIN No. 08276227), in respect of whom the Company has received from a Member a notice in writing pursuant to the requirements of section 160 of the Act proposing his candidature for appointment as a Director and whose appointment has been recommended by the Nomination and Remuneration Committee, be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation."

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

   "RESOLVED that Mr Ritesh Dungarwal (DIN No. 08136275) who was appointed Managing Director of the Company effective from January 1, 2019 at the Board meeting held on December 19, 2018 and in respect of whom the Company has received from a Member a notice in writing pursuant to the requirements of Section 160 of the Act proposing his candidature for appointment as a Director and whose appointment has been recommended by the Nomination and Remuneration Committee, be and is hereby appointed a Director of the Company with effect from January 1, 2019 whose period of office shall be liable to retire by rotation.

   "RESOLVED FURTHER that, pursuant to the provisions of Sections 196, 197, Schedule V and other provisions of the Companies Act, 2013 and subject to the approval of the Central Government, if applicable, consent be and is hereby given to the appointment of Mr Ritesh Dungarwal (DIN No. 08136275) as Managing Director of the Company for a period of

five years effective from January 1, 2019 to December 31, 2023 on remuneration, terms and conditions as set out in the Agreement dated January 1, 2019 executed between the Company of the one part and Mr Dungarwal of the other part.

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to modify, determine and/or revise the terms, remuneration and perquisites of Mr Dungarwal including his salary, allowances, commission, incentive, bonus, perquisites and benefits from time to time, within the overall ceilings laid down in the aforesaid Agreement dated January 1, 2019 and the Companies Act, 2013 including any statutory modification or re-enactment thereof."

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

"RESOLVED that pursuant to the provisions of Section 149 and Section 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act"), and Rules made thereon, and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr Sudipto Sarkar (DIN no. 00048279), in respect of whom the Company has received from a Member a notice in writing pursuant to the requirements of Section 160 of the Act proposing his candidature for appointment as a Director and whose appointment has been recommended by the Nomination and Remuneration Committee, be and is hereby re-appointed as an Independent Director of the Company to hold office as an Independent Director for a further term of five consecutive years with effect from April 29, 2019 and not liable to retirement by rotation during this term of appointment."

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

"RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Rules made thereon, M/s Jithendra Kumar & Co, Cost Accountants, (Firm Registration No. 103347), who have been appointed as Cost Auditors of the Company for conducting the Cost Audit of the cost accounting records of the Company be paid a remuneration of Rs 1,00,000 (Rupees one lakh only) plus GST, if applicable, and out of pocket expenses at actuals as may be determined by the Board of Directors of the Company for each of the financial years ended December 31, 2017; December 31, 2018 and December 31, 2019. "

Explanatory Statement : Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under Item Nos. 4 to 7 of the Notice is annexed and forms a part of this Notice.

Re-appointment of Director : Mr Tanmay Kumar Ganguly (DIN No. 01272338), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment. Additional information in respect of his re-appointment pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards 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 18, 2019 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 18, 2019 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 form a part of this Notice to Members.

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

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
Vikram Singh
Company Secretary
(ACS 16381)

Registered Office :
P-104 Taratala Road
Kolkata 700 088
February 27, 2019

NOTICE OF ANNUAL GENERAL MEETING *(Contd.)*

Notes forming part of the Notice to Members :

1. **IMPORTANT DATES FOR MEMBERS**

   ANNUAL GENERAL MEETING : Annual General Meeting will be held on Thursday, April 25, 2019 at 10.30 a.m. at G D Birla Sabhaghar, 29, Ashutosh Chowdhury Avenue, Kolkata 700019.

   RECORD DATE : Record Date will be **April 18, 2019** 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 18, 2019** 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.

   R**EMOTE ELECTRONIC VOTING PERIOD** will be from **9.00 a.m. on April 21, 2019 to 5.00 p.m.** on **April 24, 2019,** both days inclusive. Remote e-Voting will be blocked after 5.00 p.m. on April 24, 2019.

   VOTING FACILITY will also be provided at the venue of the Annual General Meeting on April 25, 2019 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 30, 2019 and dividend will be paid within May 7, 2019 to those Members or to their mandates, whose names appear as on the Record Date of April 18, 2019 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. Notices have been sent to shareholders to update their Bank Mandates and Income Tax PAN. **In compliance with these regulations and SEBI circulars, payment of dividend will be made only by electronic mode directly into the bank account of Members and no dividend warrants or demand drafts will be issued without bank particulars.**

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

4. **UNCLAIMED DIVIDEND :** Notices have been sent to all Shareholders concerned on January 16, 2019 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, 2011 which was declared at the Annual General Meeting held on April 26, 2012 and remaining unclaimed will be transferred to the Investor Education and Protection Fund of the Central Government in June, 2019 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 have been sent to the Shareholders concerned on January 16, 2019.

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

   a) Shares, in respect of which dividend for the year ended December 31, 2010 has been transferred to the Investor Education and Protection Fund ("IEPF") of the Central Government, have been transferred to IEPF in June, 2018 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, 2011 will be transferred to the IEPF, will be transferred to IEPF in June 2019 pursuant to Rule 6 of the Rules read with section 124 of the Companies Act, 2013. Individual notices have been sent to the Shareholders concerned on February 14, 2019, requesting them to encash their unclaimed dividends failing which the corresponding shares will be transferred to IEPF. An Advertisement has also be published in the newspapers on February 20, 2019. The Advertisement and the list of Shareholders and the corresponding shares are available on the Company's website.

7. **TRANSFER OF SHARES ONLY IN DEMAT MODE :** Letters have been sent to all shareholders holding shares in physical mode informing them that as per revised regulation 40 of SEBI (LODR), shares will be transferred only in dematerialised mode effective from April 1, 2019 and therefore Shareholders were requested to dematerialize their existing shares held in physical form.

8. **ISIN No :** The shares of the Company are tradable compulsorily in electronic form. **The ISIN number allotted is INE386A01015.** In view of the numerous advantages offered by the depository system and the directives given in regulation 40 of SEBI (LODR), Members are requested to avail of the facility of dematerialization of the Company's shares held by them in physical form.

9. **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".

10. **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.

11. **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.

12. **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.

13. **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 the Company Secretary, at the Registered Office or by email at vesuviusindia@vesuvius.com.

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 18, 2019 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 21, 2019 upto 5.00 p.m. on April 24, 2019, both days inclusive. Remote e-Voting shall not be allowed beyond 5.00 p.m. on April 24, 2019 and remote e-Voting facility will be blocked after 5.00 p.m. on April 24, 2019. 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 web browser by typing the following URL: **https://www.evoting.nsdl.com/**

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at **https://eservices.nsdl.com/** with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can then proceed to item (vii) below to cast your vote electronically.

NOTICE OF ANNUAL GENERAL MEETING *(Contd.)*

iii. Click on **Shareholder - Login**.

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

a) For Members holding demat account with NSDL, their User ID will be the 8 character DP ID followed by the 8 digit Client ID;

b) For Members holding demat account with CDSL, their User ID will be the 16 digit Beneficiary ID;

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

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

vii. If a Member has forgotten his password, 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**.

viii. Once the e-Voting home page opens, click on **e-Voting** and then click on **Active Voting Cycles**.

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

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

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

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

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

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

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

xvi. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) - for members and e-Voting user manual for members available at the downloads sections of **https://www.evoting.nsdl.com** or contact NSDL at the toll free Telephone no. 1800-222-990 or by email **evoting@nsdl.co.in.** You may also send your queries/ grievances relating to e-Voting to Mr. Rana Roy Choudhury, M/s. CB Management Services (P) Ltd. Tel. No. (033) 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. (xvi) 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 18, 2019** 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 of the votes cast in favour or against, to the Chairman of the Company or in his absence to the Managing Director, who shall then declare the results of e-Voting.

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
Vikram Singh
Company Secretary
(ACS 16381)

Registered Office :
P-104 Taratala Road
Kolkata 700 088
February 27, 2019

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

ITEM 4 : Appointment of Mr Jan Roel van der Sluis as Director

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on November 1, 2018 has appointed Mr Jan Roel van der Sluis (DIN No. 08276227), a Director of the Company effective from November 1, 2018 in the casual vacancy caused by the resignation of Mr Francois Clement Wanecq. Mr van der Sluis, a Dutch national, is an Engineer and is presently President Flow Control of the Vesuvius Group. Prior to this appointment in October 2017, Mr van der Sluis worked 6 years as President of Vesuvius China and North Asia. He now operates from Belgium. Mr van der Sluis joined Foseco in 1997 as Marketing Director EMEA, and held several executive functions with Foseco in different locations. Post merger of Foseco with Vesuvius, he joined the Vesuvius Group. Mr van der Sluis is not a Director of any other company in India and is not a member of any Committee in India. He does not hold any shares of the Company.

The Nomination and Remuneration Committee as well as the Board of Directors recommends the appointment of Mr Jan Roel van der Sluis (DIN No. 08276227) as a Director of the Company.

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

ITEM No 5 : Appointment of Mr Ritesh Dungarwal as Managing Director

At the Board of Directors meeting held on December 19, 2018, Mr Ritesh Dungarwal (DIN No. 08136275) was appointed Managing Director of the Company, subject to the approval of the Members, for a period of five years effective from January 1, 2019. He will be liable to retire by rotation.

Mr Ritesh Dungarwal is a Mechanical Engineer and holds a Master's degree in Aerospace Engineering from IIT Mumbai and an Executive MBA from Kelly School of Business, Indiana University, USA. Prior to joining Vesuvius India, he held key positions across various functions including engineering, strategy, sales, distribution and operation with Cummins for more than 15 years where, in his last role he was India Business Country Leader for Cummins Turbo Technologies.

Mr Dungarwal does not hold any shares in the Company, nor is he a relative of any Director or Key Managerial Personnel of the Company and is not otherwise disqualified to be appointed Managing Director of the Company. Mr Dungarwal is not a Director of any other Company. From January 1, 2019, Mr Dungarwal is a member of the Corporate Social Responsibility Committee and the Share Transfer and Stakeholders Grievance & Relationship Committee of the Company and in no other Committees.

An Agreement dated January 1, 2019 has been executed between the Company and Mr Ritesh Dungarwal setting out the terms and remuneration payable to him, subject to the limit prescribed in section 197 read with Schedule V of the Companies Act, 2013, and his remuneration is summarised as follows -

Items	Remuneration
Period of employment	From January 1, 2019 to December 31, 2023
Basic Salary	Rs. 69,25,000 per annum or such sum not exceeding Rs 400,00,000 per annum as may be determined by the Board.
House Rent and other Allowances	As per Rules of the Company applicable to Wholetime Directors. For the year ended December 31, 2019 the total allowances is Rs 39,25,000 per annum
Management Bonus, incentive, other perquisites and benefits, reimbursements, entitlements, car	As per Rules of the Company applicable to Wholetime Directors. For the year ended December 31, 2019 the incentive etc is Rs 59,79,377 per annum
Commission on Profits	Mr Dungarwal will not be entitled to commission on net profits
Retiral Funds	Provident Fund, Gratuity and Superannuation as per Rules of the Company

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

The total remuneration payable to Mr Dungarwal will be within the overall limits prescribed in section 197 read with Schedule V of the Companies Act, 2013, as amended from time to time. However, if during the currency of his tenure, the Company has no profits or its profits are inadequate in any financial year, Mr Dungarwal shall be entitled, subject to the approval of the Central Government, if required, to the same remuneration by way of basic salary, house rent and other allowances, bonus, incentive, perquisites and benefits as may be approved by the Board from time to time and within the overall limits specified above. The appointment may be terminated by either party giving to the other three months' notice in writing or such shorter period as may be decided by the Board.

The Agreement dated January 1, 2019 sets out the mutual rights and obligations of the Company and Mr Dungarwal. A copy of the Agreement will be available for inspection of Members at the Registered Office of the Company between 11.00 a.m. and 4.00 pm on all working days upto and including the date of the Annual General Meeting.

The Nomination and Remuneration Committee as well as the Board of Directors recommends the appointment of Mr Ritesh Dungarwal (DIN No. 08136275) as the Managing Director of the Company.

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

ITEM No 6 : Re-Appointment of Mr Sudipto Sarkar as Independent Director

At the Annual General Meeting held on April 29, 2014, Mr Sudipto Sarkar was appointed an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 ("Act") for a period of five consecutive years from April 29, 2014 to April 28, 2019. His term of office as an Independent Director will cease on April 28, 2019.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, are recommending the re-appointment of Mr Sudipto Sarkar as an Independent Director of the Company for a further period of five consecutive years from April 29, 2019 and during this term his period of office as an Independent Director shall not be liable to retirement by rotation.

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

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; LL.M, (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, Middle Temple, London. He is presently practicing as a Senior Advocate. He was formerly a Director of Bombay Stock Exchange Limited and JSW Steels Limited. He became a Director of Vesuvius India from July 26, 2005 and has been appointed Independent Director effective from April 29, 2014. He is presently a director of several companies in India including EIH Limited, EIH Associated Hotels Ltd, Eveready Industries Ltd, Triveni Engineering & Industries Ltd. He is a member of the following Committees :

Name of the Company	Name of Committee	Nature of Membership
EIH Associated Hotels Ltd	Audit Committee Investors Grievances Committee Corporate Social Responsibility Committee Nomination & Remuneration Committee	Chairman Member Member Member
Eveready Industries Ltd	Nomination & Remuneration Committee	Member
Triveni Engineering & Industries Ltd	Audit Committee	Member
Vesuvius India Ltd	Nomination & Remuneration Committee Audit Committee Corporate Social Responsibility Committee Share Transfer and Stakeholders Grievance & Relationship Committee	Chairman Member Member Member

Mr Sarkar has been a guiding light to the management for all corporate matters specially those relating to governance, disputes and litigation including the recent Insolvency and Bankruptcy Code which involved three of the Company's large customers. The Board feels that it is essential for the Company to have on its Board a renowned Barrister like Mr Sarkar.

Mr Sudipto Sarkar does not hold any shares in the Company, nor is he related to any Director or Key Managerial Personnel of the Company and complies with all the requirements making him eligible to be re-appointed as an Independent Director.

The Nomination and Remuneration Committee as well as the Board of Directors recommends the re-appointment of Mr Sudipto Sarkar as an Independent Director of the Company for a second term. This resolution is required to be passed as a Special Resolution. Mr Sarkar is a person of high integrity and the Board is of the opinion that Mr Sarkar fulfils the criteria specified in the Companies Act, 2013 read with the rules made thereunder and also with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Director of the Company.

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

NOTICE OF ANNUAL GENERAL MEETING *(Contd.)*

ITEM No 7 : Approval of remuneration of Cost Auditors

With the implementation of Goods and Services Tax Act ("GST") from July 1, 2017, some of the item codes under which the Company sold its products had to be changed. These changes attracted the requirement of Cost Audit retrospectively from the year 2017 onwards.

The Board of Directors on the recommendation of the Audit Committee, at their meeting held on February 15, 2018 had appointed M/s Jithendra Kumar & Co, Cost Accountants, of Vijawada (Firm registration no. 103347) as Cost Auditors of the Company for the financial year ended on December 31, 2017 and also for the financial year ended on December 31, 2018. The remuneration of the Cost Auditors had been fixed at Rs 100,000 plus GST, if applicable, and out of pocket expenses at actuals for each of the financial years ended on December 31, 2017 and December 31, 2018. The Cost Audit Report for the financial year ended on December 31, 2017 has been submitted to the Ministry of Corporate Affairs within due time. The Cost Audit Report for the financial year ended on December 31, 2018 will be prepared and submitted to the Ministry of Corporate Affairs within June 30, 2019.

The Board of Directors on the recommendation of the Audit Committee, at their meeting held on February 27, 2019 re-appointed M/s Jithendra Kumar & Co, Cost Accountants, as Cost Auditors for the financial year ended on December 31, 2019. The remuneration of the Cost Auditors has been fixed at Rs 100,000 plus GST, if applicable, and out of pocket expenses at actuals for the financial year ended on December 31, 2019.

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

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

The Board of Directors recommends the resolution be passed.

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

Addditional Information of Directors seeking appointment or re-appointment at the forthcoming Annual General Meeting as mentioned in Item Nos 3, 4, 5 and 6 of this Notice

[in pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards]

Name of Director	Mr Tanmay Kumar Ganguly	Mr Jan Roel van der Sluis	Mr Ritesh Dungarwal	Mr Sudipto Sarkar
Item No of the Notice	3	4	5	6
DIN Number	01272338	08276227	08136275	00048279
Age (in years)	55	56	39	72
Qualification	B.Com, CA	Engineer	Engineer	Barrister
Date of first appointment on the Board	07.05.2015	01.11.2018	01.01.2019	26.07.2005
Expertise in specific functional areas	Finance, strategy, Marketing	Marketing & Technical	Engineering, strategy, sales	Legal specialising in Corporate law, arbitration
Remuneration last drawn	Nil	Nil	Nil	Rs 16,80,000
Shares held in the Company	Nil	Nil	Nil	Nil
Relationship with other Director in the Company	None	None	None	None
Directorship held in other Companies - In India	Nil	Nil	Nil	EIH Associated Hotels Ltd.; EIH Limited; Eveready Industries India Ltd.; Triveni Engineering & Industries Ltd; Turf Properties Pvt Ltd; INDIVAR Commercial Pvt Ltd
Directorship held in other Companies -Abroad	Vesuvius (Thailand) Co Ltd	As per list below *	Nil	Nil

* List of Companies Abroad where Mr Jan Roel van der Sluis is a Director

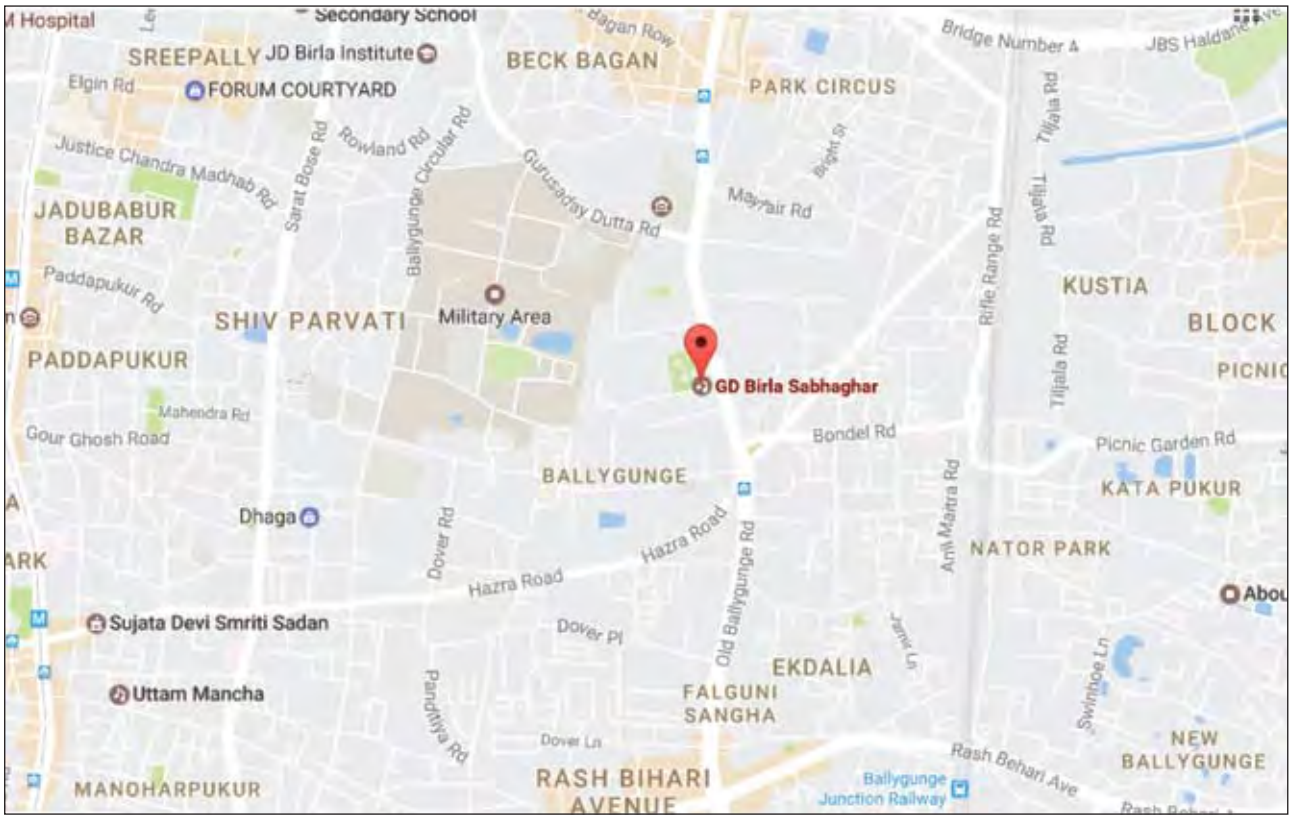
Name of Company	Name of Company
Angang Vesuvius Refractory Company Limited	East Moon Investment (HK Holding) Company Ltd
Foseco Foundry (China) Co Limited	Foseco Golden Gate Company Limited
Vesuvius Advances Ceramics (China) Co Ltd	Vesuvius Belgium N.V.
Vesuvius China Holdings Co Limited	Vesuvius Ceska Republika
Vesuvius Europe SA	Vesuvius Foundry Products (Suzhou) Co Ltd
Vesuvius Foundry Technologies (Jiangsu) Co Ltd	Vesuvius Refractories (Tianjin) Co Ltd
Vesuvius Solar Crucible (Suzhou) Co Ltd	Vesuvius Zyarock Ceramics (Suzhou) Co Ltd
VSV Advanced Ceramics (Anshan) Co Ltd	Wuhan Wugang-Vesuvius Advanced Ceramics Co Ltd
Wuhan Wugang -Vesuvius Advances Ceramics Co Ltd	Yingkou Bayuquan Refractories Co Ltd
VSV Advanced Ceramics (Anshan) Co Ltd	Vesuvius Group SA
Vesuvius International Corporation	

By Order of the Board of Directors
Vesuvius India Limited
Vikram Singh
Company Secretary
(ACS 16381)

Registered Office :
P-104 Taratala Road
Kolkata 700 088
February 27, 2019

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, 2018

The Directors have pleasure in submitting their Annual Report together with the Audited Financial Statements for the year ended on December 31, 2018.

(Rs. Lakhs)

Financial Results :	**Year ended 31.12.2018**	Year ended 31.12.2017
Revenue from Operations	**92,507**	94,952
Other Income	**2,277**	1,322
Total Revenue	**94,784**	96,274
Profit before Depreciation, Interest & Tax (PBDIT)	**17,018**	17,913
Depreciation & Amortisation	**2,781**	2,978
Interest	**-**	-
Profit before exceptional items and Tax	**14,237**	14,935
Exceptional Items	**-**	444
Profit before tax	**14,237**	14,491
Provision for Income Tax	**4,985**	5,046
Profit for the year after Tax	**9,252**	9,445
Other comprehensive income for the year, net of tax	**88**	54
Total comprehensive income for the year	**9,340**	9,499
Transfer to Reserves :	**Nil**	Nil
Proposed Dividend :		
Proposed Dividend @ Rs 7/- per share	**1,421**	1,370
Basic & Diluted Earnings Per Share :	**45.59**	Rs 46.54
Disclosures under Regulation 34(3) read with Schedule V Clause B of SEBI (LODR)		
(i) Debtors Turnover Ratio	**4.1**	3.74
(ii) Inventory Turnover Ratio	**7.40**	8.20
(iii) Interest Coverage Ratio	**N.A.**	N.A.
(iv) Current Ratio	**4.23**	3.72
(v) Debt Equity Ratio	**N.A.**	N.A.
(vi) Operating Profit Margin (%)	**13%**	14%
(vii) Net Profit Margin (%)	**10%**	10%
(viii) Return on Net Worth (%)	**16%**	20%

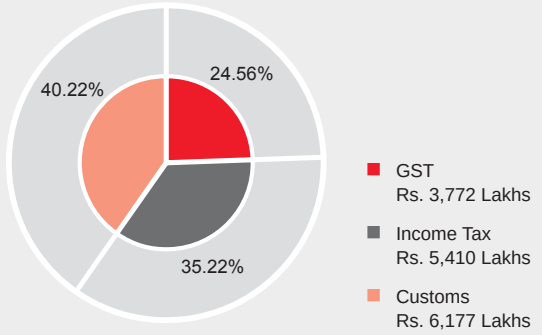
Financial Year of the Company

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

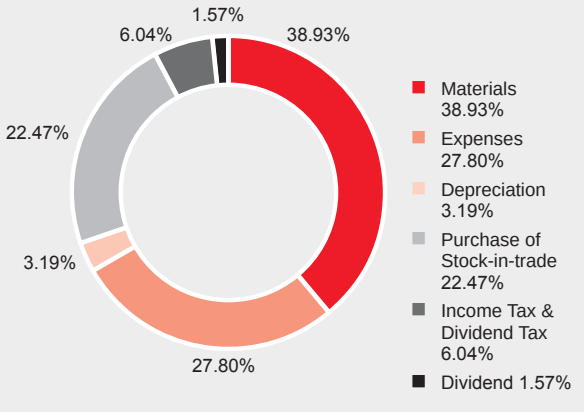
Operating & Financial Performance, Internal Control

This year the Company's revenue (excluding excise duty) from domestic sales increased by over16% the previous year's domestic sales while exports were reduced to about 45% of previous year's exports.

Contribution to Government Exchequer 2018



How the Rupee was Spent



The Company was able to reduce its overall debts and the net receivables from the three customers against whom bankers had initiated insolvency proceedings under the Insolvency and Bankruptcy Code, 2016.

There is no change in the nature of the business of the Company. The Company has no subsidiaries therefore disclosures in this regard are not provided in this Report of the Directors. There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future. In preparation of the financial statements, there has been no treatment different from the Accounting Standards.

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

The Company has in place an established internal control system designed to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. Code on Internal Control which 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 and the Code of Conduct and CORE Values and Behaviours applicable to Directors and Employees of the Company have been complied with during the year. A list of these Policies which are available on the Company's website **www.vesuviusindia.com** is mentioned later in this Report of the Directors.

Dividend

The Board of Directors are pleased to recommend a dividend of Rs 7/- per Equity Share of nominal value of Rs 10/- each. The dividend together with dividend tax will entail a cash outflow of Rs 1,713 lakhs (previous year Rs 1,649 lakhs). If declared by the Shareholders at the forthcoming Annual General Meeting, dividend will be deposited with the bank within April 30, 2019 and dividend will be paid within May 7, 2019.

Group Activities

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

Vesuvius has developed close, collaborative relationships with customers together with an extended global manufacturing network aligned with customer locations. Vesuvius 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.

Members of the Board of Directors of Vesuvius plc, the ultimate holding company, had visited the Kolkata Plant on October 23, 2018 and had meaningful deliberations and interactions with the local management team. They have a clear strategy on the potential growth and capabilities of the Indian operations and have offered their support to the Indian operations. The Board Members have also visited and interacted with a major customer in India which has international operations.

The Vesuvius strategy remains centered around the following five key execution priorities designed to ensure the achievement of the core strategic objective of delivering long term, sustainable and profitable growth :

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

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

ISO Certification

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

Vesuvius plc Directors with Vesuvius India Management at Kolkata Factory

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

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 2018FY crude steel production stood at 106.5 million tons compared to 101.4 million tons in 2017, a growth of 5%, while consumption in India grew by 8%. Impact of availability and prices of raw materials, reduction in export opportunities and initiation of Insolvency proceedings against three of our customers have had some adverse impact. Given the tight competitive and overall trading conditions, full recovery of cost increases from our customers have not been possible. Customers have shelved their expansion projects and are looking forward to the outcome of the insolvency proceedings against steel manufacturers.

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

There is a continuous process of risk identification and review, which includes both a top-down and bottom-up process. Assessment of principal risks have been reviewed and considered against a further group of emerging risks and uncertainties. There has been no material change in the principal risks and uncertainties during the year but a reflection has been made on certain emerging macro trends during the year. These include interruption of supply of quality raw materials, related challenges of instigating price increases as input costs go up and ramifications of regulations like Insolvency and Bankruptcy Code. Risk may include demand volatility, financial uncertainty, complex and changing regulatory environment, business interruption, failure to secure innovation, attracting and retaining talent and performance management and Quality, Health & Safety. These are not the only ones that the Company faces. Some risks are not yet known and some currently not deemed to be material could become so.

Vesuvius reinforced its efforts to develop products and services helping customers to reduce their carbon footprint through improved service life of our products and reduction of waste in customers' manufacturing processes. At the same time, we continued our efforts to reduce waste and energy consumption in our own manufacturing processes.

Board of Directors

Mr Tanmay Ganguly (DIN No.01272338), Director of the Company, is due to retire by rotation at the ensuing Annual General Meeting. Mr Ganguly is the President-Advanced Refractories of the Vesuvius Group and operates from the United Kingdom. Mr Ganguly has confirmed and declared that he is qualified to act as a Director of the Company and being eligible has offered himself for re-appointment as a Director of the Company. The Board of Directors are also of the opinion that Mr Ganguly fulfils all the criteria specified in the Companies Act, 2013 and rules thereon and all the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR)"] making him eligible to be re-appointed as Director. Mr Ganguly is not a Director of any other company in India. He is a member of all the Committees of the Board of Directors. He does not hold any shares of the Company

Directors at the Visakhapatnam Factory

and is not related to any Director or Key Managerial Personnel of the Company. Additional information about Mr Ganguly and a resolution proposing his re-appointment are mentioned in the Notice convening the ensuing Annual General Meeting of the Company.

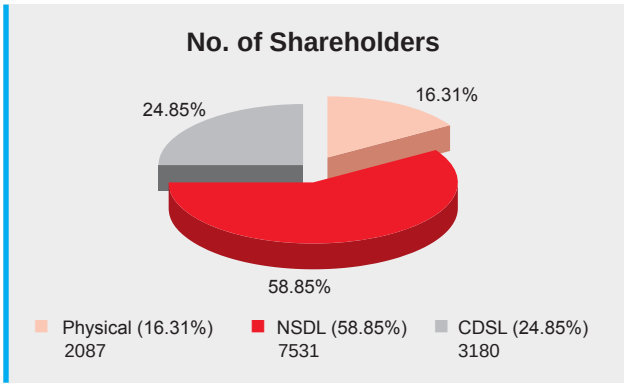
On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on November 1, 2018 had appointed Mr Jan Roel van der Sluis (DIN No.08276227), a Director of the Company effective from November 1, 2018 in the casual vacancy caused by the resignation of Mr Francois Clement Wanecq. Mr van der Sluis, a Dutch national, is an Engineer and is presently President-Flow Control of the Vesuvius Group. Prior to this appointment in October 2017, Mr van der Sluis worked 6 years as President of Vesuvius China and North Asia. He now operates from Belgium. Mr van der Sluis joined Foseco in 1997 as Marketing Director EMEA and held several executive functions with Foseco in different locations. Post-merger of Foseco with Vesuvius, he joined the Vesuvius Group. Mr van der Sluis is not a Director of any other company in India and is not a member of any Committee in India. He does not hold any shares of the Company. The Board of Directors are of the opinion that Mr van der Sluis fulfils all the criteria specified in the Companies Act, 2013 and rules thereon and all the requirements of SEBI (LODR) making him eligible to be appointed a Director of the Company and also feel that the presence of the President-Flow Control on the Board of the Company would bring immense benefits to the Indian management and operations. Additional information about Mr van der Sluis and a resolution proposing his appointment are mentioned in the Notice convening the ensuing Annual General Meeting of the Company.

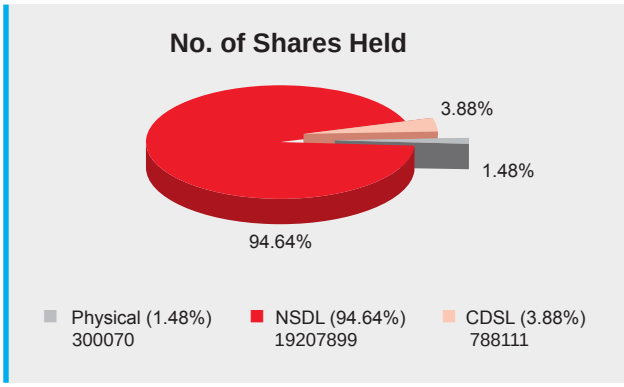
Mr Ritesh Dungarwal (DIN No. 08136275) was appointed Managing Director of the Company, at the Board meeting held on December 19, 2018, subject to the approval of the Members, for a period of five years effective from January 1, 2019. He is a Mechanical Engineer and holds a Master's degree in Aerospace Engineering from IIT Mumbai and an Executive MBA from Kelly School of Business, Indiana University, USA. Prior to joining Vesuvius India, he held key positions across various functions including engineering, strategy, sales, distribution and operation with Cummins for more than 15 years where, in his last role, he was India Business Country Leader for Cummins Turbo Technologies. His appointment has been recommended by the Nomination and Remuneration Committee and the Board of Directors are also of the opinion that Mr Dungarwal fulfils all the criteria specified in the Companies Act, 2013 and rules thereon and all the requirements of SEBI (LODR) making him eligible to be appointed Managing Director of the Company. Mr Dungarwal does not hold any shares in the Company nor is he a Director of any other company. From January 1, 2019, Mr Dungarwal is a member of the Corporate Social Responsibility Committee and the Share Transfer and Stakeholders Grievance & Relationship Committee of the Company and in no other Committees.

An Agreement dated January 1, 2019 has been executed between the Company and Mr Ritesh Dungarwal setting out the terms and remuneration payable to him, subject to the limit prescribed in section 197 read with Schedule V of the Companies Act, 2013. Additional information about Mr Dungarwal and his remuneration and resolutions proposing his appointment as Managing Director are mentioned in the Notice convening the ensuing Annual General Meeting of the Company.

After four years of dedicated service, Mr Subrata Roy has stepped down as the Managing Director of Vesuvius India to pursue new responsibilities within the Vesuvius Group. The Board records its appreciation of the contributions and services rendered by Mr Subrata Roy during his term as Managing Director.

Mr Sudipto Sarkar had been appointed Independent Director of the Company for a period of five consecutive years from April 29, 2014 and his term of office as an Independent Director will cease on April 28, 2019. Mr Sarkar is a renowned Barrister and holds B.Sc. (Maths-Hons) from Presidency College, Kolkata; BA (Law Tripos) from Jesus College, Cambridge, UK; LL.M, (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, Middle Temple, London. He is presently practicing as a Senior Advocate. He was formerly a Director of Bombay Stock Exchange Limited and JSW Steels Limited. The Board of Directors, on the recommendation of the Nomination

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

and Remuneration Committee, have recommended the re-appointment of Mr Sarkar as an Independent Director for a further period of five consecutive years from April 29, 2019 as they feel that Mr Sarkar's contribution to the Board as an eminent Barrister would be of great benefit to the management and the Company. The Board of Directors are also of the opinion that Mr Sarkar fulfils all the criteria specified in the Companies Act, 2013 and rules thereon and all the requirements of SEBI (LODR) making him eligible to be appointed Independent Director of the Company for a further term. Mr Sarkar does not hold any shares in the Company. Additional information about Mr Sudipto Sarkar, his directorships and Committee memberships in other companies and a special resolution proposing his re-appointment as Independent Director are mentioned in the Notice convening the ensuing Annual General Meeting of the Company.

Mr Biswadip Gupta, Mr Sudipto Sarkar and Miss Nayantara Palchoudhuri, Independent Directors of the Company, had a separate meeting on November 1, 2018 to conduct an evaluation of the performance of Independent Directors, individual directors, the Board and its Committees and assess the quality, quantity and timeliness of flow of information from the Company management to the Directors as well as an oversight of succession planning, risk management, internal controls and prioritization of strategic objectives and Board efficiency. The Board also conducted a similar evaluation exercise. Mr Sudipto Sarkar and Miss Nayantara Palchoudhuri met separately to evaluate and review the performance of the Chairman. The evaluation concluded that the Board remained of high caliber and was functioning well, with open and challenging debate and transparent information flow and continued to deliver robust challenge to management of financial matters and helped guide the management through disruptions brought in by Insolvency and Bankruptcy Code and economic upheavals to the steel industry. The Directors have received briefings and updates on key financial, legal and governance issues impacting the organization and have furthered their knowledge and familiarisation by undertaking visits to the Visakhapatnam plants. The Independent Directors have ensured governance and good conduct, adherence to laws, mitigating risks and growth. Assessment of individual Directors concluded that they contributed effectively and proactively in debates at all meeting and devoted adequate time. Committees have also operated effectively with the Nomination and Remuneration Committee effectively overseeing successful transitions and the Audit Committee in reviewing the effectiveness of internal controls including financial, operations and compliance controls and risk management systems.

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 the independence criteria and all the conditions specified in the Companies Act, 2013 and SEBI (LODR) making them eligible to act as Independent Directors.

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

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

Directors' Responsibility Statement

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of section 134(3)(c) read with section 134(5) of the Companies Act, 2013, and provisions of SEBI (LODR) and in the preparation of the annual accounts for the year ended on December 31, 2018 and state that :

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

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

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

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

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

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

Key Managerial Personnel

The following persons 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 upto 31.12.2018
b) Mr Ritesh Dungarwal, Managing Director with effect from 1.1.2019
c) Mr Taposh Roy, Company Secretary upto 26.02.2019
d) Mr Vikram Singh, Company Secretary with effect from 27.2.2019
e) Mr Sanjoy Dutta, Chief Financial Officer

Remuneration and other details of the persons who were the Key Managerial Personnel upto the year ended on December 31, 2018 are mentioned in the Extract to the Annual Return in Form MGT-9 which is attached as **Annexure V** 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, 2018, 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, 2018 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. The Company Secretary is the Compliance Officer responsible for compliance with the Insider Trading procedures. Details of securities transaction by insiders are placed before the Board of Directors of the Company and notified to the Stock Exchanges. The Company Secretary is also the Nodal Officer for the purpose of compliances relating to Investor Education and Protection Fund.

The Managing Director and the Chief Financial Officer, have given their certificate under Regulation 17(8) read with Part B of Schedule II of SEBI (LODR) regarding the annual financial statements for the year ended on December 31, 2018 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, 2018, which is attached as **Annexure IX** 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, 2018 comprises Mr Biswadip Gupta as Chairman and Mr Tanmay Ganguly, Miss Nayantara Palchoudhuri and Mr Sudipto Sarkar as

Pankaj Kale (extreme left) received award from Mr Sajjan Jindal of JSW Steel Ltd.

LAKSHA Vesuvius India's Scholarship Program

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

Members. The Company Secretary is the Secretary of the Committee. The Managing Director and Chief Financial Officer are permanent invitees to the meeting. The Internal Audit reports, financial statements and details of all related party transactions are placed periodically before the Audit Committee. During the year there were no instances where the Board had not accepted the recommendations of the Audit Committee. The Company has in place a vigil mechanism details of which are available on the Company's website **www.vesuviusindia.com**. All persons have been given direct access to the Chairman of the Audit Committee to lodge their grievances. No personnel have been denied access to the Audit Committee to lodge their grievances.

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

The details of terms of reference of the Audit Committee, number and dates of meetings held, attendance of the Directors and remuneration paid to them during the year ended on December 31, 2018 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, 2018 comprises Mr Biswadip Gupta as Chairman and Mr Tanmay Ganguly, Miss Nayantara Palchoudhuri, Mr Subrata Roy and Mr Sudipto Sarkar as Members. Mr Ritesh Dungarwal has replaced Mr Subrata Roy as a Member of this Committee effective from January 1, 2019. The Managing Director was the Secretary of this Committee upto February 26, 2019. Effective from February 27, 2019, the Company Secretary is the Secretary of this Committee.

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

The terms of reference of the Corporate Social Responsibility Committee, number and dates of meetings held, attendance of the Directors and remuneration paid to them during the year ended on December 31, 2018 are given separately in the attached Corporate Governance Report.

The Annual Report on Corporate Social Responsibility is attached as **Annexure VIII**. 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 in locations where the Company's factories are located and with those having pan-India presence to provide CSR support to CSR projects. Employees at customer sites have also been made aware of opportunities for undertaking CSR projects locally and their CSR projects are being reviewed. The Company had spent about Rs 44 lakhs on CSR during the year. The Company is in the process of further increasing its portfolio of projects. There has been some delay in execution of CSR projects in the past on account of due diligence process to ensure that the benefit reaches the targeted recipient. However, the Company remains committed and is better prepared to meet its obligations related with CSR spend during the next financial year 2019.

Shareholders get-together at Kolkata Factory

Nomination and Remuneration Committee

A Nomination and Remuneration Committee was constituted on April 29, 2014 and the members as on December 31, 2018 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, 2018 are given separately in the attached Corporate Governance Report which forms a part of this Report of the Directors.

Share Transfer and Stakeholders Grievance & Relationship Committee

The Share Transfer Committee was constituted on January 1, 1993 and was renamed The Share Transfer and Investor Grievance Committee on February 12, 2001. To comply with the requirements of the Companies Act, 2013 the name of the Committee was changed to Share Transfer and Stakeholders Grievance & Relationship Committee effective from April 29, 2014. The Members of the Committee as on December 31, 2018 are Mr Biswadip Gupta as Chairman, Mr Tanmay Ganguly, Miss Nayantara Palchoudhuri, Mr Subrata Roy and Mr Sudipto Sarkar as Members. Mr Ritesh Dungarwal has replaced Mr Subrata Roy as a Member of this Committee effective from January 1, 2019. 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, electronic filings with Ministry of Corporate Affairs, compliances related to Investor Education and Protection Fund and all other compliances under the Companies Act, 2013 and SEBI (LODR). Details of the number and dates of meetings of this Committee which were held during the year ended on December 31, 2018, 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 3,00,070 shares, i.e. 1.48% of share capital, are held in physical mode by 2087 Shareholders as on December 31, 2018.

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

Investor Education and Protection Fund

A sum of Rs 4,63,364/- being the dividend lying unclaimed for seven consecutive years 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 was transferred to the Investor Education and Protection Fund of the Central Government in June 2018, after giving several notices and reminders to the concerned shareholders.

Dividend which remains unclaimed out of the fifteenth dividend declared by the Company for the year ended on December 31, 2011 at the Annual General Meeting held on April 26, 2012 will be transferred to the Investor Education and Protection Fund ("IEPF") of the Central Government byJune, 2019 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 16, 2019.

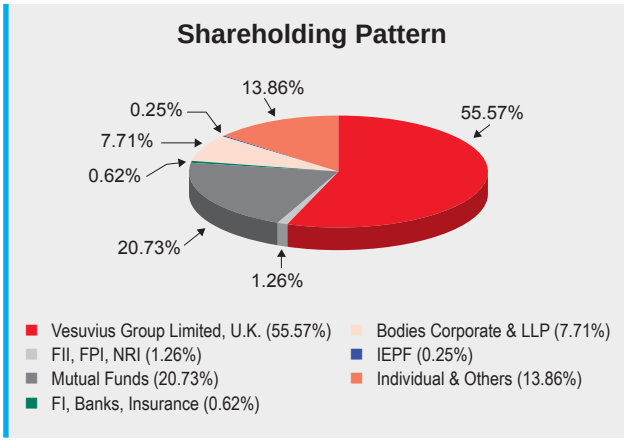
5,994 Equity shares in respect of 35 folios corresponding to the dividend for the year ended on December 31, 2010 which remained unclaimed for seven consecutive years has also been transferred to the IEPF Authority in compliance with Section 124 of the Companies Act, 2013 read with rule 6 of the Investor 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, 2011 and remaining unclaimed for seven consecutive years will also be transferred to the IEPF, if the dividend is not encashed within May 29, 2019. Individual notices dated February 14, 2019 have been sent to the concerned Shareholders and advertisements made in the newspapers on February 20, 2019 in this regard. The advertisement is available on the website of the Company.

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

Notices dated January 16, 2019 have also been sent to all Shareholders concerned reminding them to encash their unclaimed dividend.

List of Shareholders whose dividend remain unclaimed till date of Annual General Meeting held on April 10, 2018 have been uploaded in the website of the Company **www.vesuviusindia.com** under heading "Investor Information" => "Dividend &Disclosures". Shareholders are requested to check their unclaimed dividend from this list and contact the Registrars and Share Transfer Agents to encash these unclaimed dividends.



Auditors

Messrs Price Waterhouse Chartered Accountants LLP, (Firm Registration No : 012754N / N500016), Auditors of the Company, have submitted their Independent Auditors Report on the financial statements of the Company for the year ended on December 31, 2018 and they have made no qualification, reservation or adverse remark or disclaimer in their Report. Ratification of their appointment every year is no more required pursuant to the revised provisions of Section 139 of the Companies Act, 2013. The Auditors have confirmed that they comply with all the requirements and criteria are otherwise qualified to continue to act as Auditors of the Company. No frauds have been reported by the Auditors under section 143(12) of the Companies Act, 2013.

Secretarial Audit

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

Cost Audit

M/s Jithendra Kumar & Co, Cost Accountants, had been appointed the Cost Auditors of the Company for the financial years ended on December 31, 2017 and December 31, 2018 at the Board meeting held on February 15, 2018 and for the financial year ended on December 31, 2019 at the Board meeting held on February 27, 2019. The Cost Audit Report for the financial year ended on December 31, 2017 has been submitted to the Ministry of Corporate Affairs on May 29, 2018 and the Cost Audit Report for the financial year ended on December 31, 2018 will be submitted within June 2019. The remuneration payable to the Cost Auditors is required to be approved by the Members of the Company hence an appropriate resolution for approval of the remuneration of the Cost Auditors has been proposed in the Notice convening the ensuing Annual General Meeting. Maintenance of cost records as specified under section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

Fixed Deposits

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

Loans, guarantees and investments

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

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

Related Party Transactions : Vesuvius plc is the ultimate holding company of the Company and therefore all subsidiaries of Vesuvius plc are treated as related parties of the Company. Such related party transactions, including those with the holding company and chain holding companies who hold 55.57% shares of the Company, which have been held during the current year and the previous year are mentioned in the Annual Report in accordance with the Indian Accounting Standards 24 on Related Party Disclosures notified by the Companies (Indian Accounting Standards) Rules, 2015, as amended, and are not repeated in this Report of the Directors. All these related party transactions are in the ordinary course of business and are at arm's length and hence the restrictive provisions of section 188(1) are not attracted to these transactions.

In compliance with the provisions of Regulation 34(3) read with Schedule V(A) of SEBI (LODR) read with section 134(3)(h) it is confirmed that no loans or advances in the nature of loans have been received or paid to the holding company or any associate company or any Director or to any firms or companies in which a director is interested and no investments have been made in the shares of the parent / holding companies or any of its subsidiaries. The Company does not have any subsidiaries. The Company has no investments. The prescribed Form AOC-2 is therefore not applicable to the Company.

There were no material changes and commitments affecting the financial position of the Company occurring between December 31, 2018 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 VI** 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 VII** and forms a part of this Report of the Directors.

The Annual Return for the year ended December 31, 2017 which was electronically filed with the Ministry of Corporate Affairs on April 26, 2018 is available on the website of the Company **www.vesuviusindia.com** under heading "Investor Information => Dividend & Disclosures."

Prevention of Sexual Harassment

In compliance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company had constituted 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 fourth Annual Report which has been received and approved by the Board.

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

a. Number of complaints of sexual harassment received/ filed during the year : Nil
b. Number of complaints disposed off during the year : Nil
c. Number of complaints pending for more than ninety days : Nil
d. Number of complaints pending as on end of financial year : Nil
e. Number of workshops or awareness programmes against sexual harassment carried out : One
f. Nature of action taken by the employer or District Officer : Not Applicable

Business Responsibility Report

The Business Responsibility Report was not applicable for the Company for the financial year ended on December 31, 2018 and hence no such report is submitted.

Annexures forming a part of this Report of the Directors

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

Annexure	Particulars
I	Corporate Governance Report
II	Certificate on Corporate Governance
III	Secretarial Audit Report
IV	Secretarial Compliance Report
V	Extract of the Annual Return in Form MGT-9
VI	Prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
VII	Particulars of Employees
VIII	Annual Report on Corporate Social Responsibility
IX	Managing Director's Certificate on compliance of Code of Conduct

Company Policies

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

a) Remuneration Policy
b) Corporate Social Responsibility Policy
c) Terms and conditions of Appointment of Independent Director
d) Related Party Transactions Policy
e) Speak Up and Incident Reporting (Whistle Blowing) Policy
f) Dividend Distribution Policy

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

g) Policy on Preservation of Documents
h) Anti-Bribery and Corruption Policy
i) Risk Management Policy
j) Insider Trading Code
k) Insider Trading Code for Fair Disclosure
l) Quality Policy
m) Health, Safety & Environment Policy
n) Code of Conduct
o) CORE values and Behaviours

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.

CORE Values and Behaviours was launched in 2018 - 8 Leadership team members attended the communication at time of launch. These Values have been rolled out and communicated in various communication forums to employees.

The Company strictly adheres to the prescribed norms and practices regarding health, safety and environment.

The Company had 439 employees as on December 31, 2018. 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

Biswadip Gupta
Chairman
(DIN : 00048258)

Place: Kolkata
Date: February 27, 2019

ANNEXURE - I

CORPORATE GOVERNANCE REPORT - 2018

This Corporate Governance Report relating to the financial year ended on December 31, 2018 has been issued in compliance with the requirements of Regulation 34(3) read with Clause C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms a part of the Report of the Directors to the Members of the Company.

1. OUR COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Our Company's philosophy is to add value to customers' businesses providing materials, equipment, processes and services that allow them to increase efficiency, quality and profitability of their operations while upholding our CORE values Courage, Ownership Respect and Energy and include our values of Creativity, 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, 2018 consisted 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
Mr Tanmay Kumar Ganguly (DIN : 01272338)	Non-Executive Director	Nominee of the holding company. Appointed Director effective from May 7, 2015
Miss Nayantara Palchoudhuri (DIN : 00581440)	Non-Executive Independent Director	Appointed an Independent Director for 5 years effective from March 27, 2015
Mr 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 Jan Roel van der Sluis (DIN : 08276227)	Non-Executive Director	Nominee of the holding company. Appointed Director effective from November 1, 2018 in the casual vacancy caused by the resignation of Mr Francois Clement Wanecq

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

2.2. Details of the Directors

Mr Jan Roel van der Sluis (DIN : 08276227), President-Flow Control of the Vesuvius Group, had been appointed a Director of the Company effective from November 1, 2018 in the casual vacancy caused by the resignation of Mr Francois Clement Wanecq and holds office upto the ensuing Annual General Meeting. His appointment will be considered at the next Annual General Meeting and he will be liable to retire by rotation. Mr van der Sluis 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

ANNEXURE - I

CORPORATE GOVERNANCE REPORT - 2018 *(Contd.)*

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.

At the Board meeting held on December 19, 2018, the resignation of Mr Subrata Roy, Managing Director to take effect from close of business hours on December 31, 2018, was accepted. Mr Roy has taken up new responsibilities within the Vesuvius Group. The Board records its appreciation for the services rendered by Mr Subrata Roy during his tenure as Managing Director of the Company.

At the same Board meeting held on December 19, 2018, on the recommendation of the Nomination and Remuneration Committee, Mr Ritesh Dungarwal was appointed Managing Director of the Company, subject to the approval of the Shareholders of the Company, for a period five years from January 1, 2019. Mr Ritesh Dungarwal is a mechanical engineer and holds a master's degree in Aerospace Engineering from IIT Mumbai and an Executive MBA from Kelly School of Business, Indiana University (USA). He spent more than 15 years with Cummins holding key positions across various functions including engineering, strategy, sales, distribution and operations. In his last role at Cummins, he served as the India Business Country Leader for Cummins Turbo Technologies division. He does not hold any shares of the Company nor is a director of any other company. He is a member of the Corporate Social Responsibility Committee and of the Share Transfer and Stakeholders Grievance & Relationship Committee.

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 Ritesh Dungarwal, Managing Director, is given separately in the Annual Report.

2.4. Shareholding of Directors and Key Managerial Personnel

As on December 31, 2018 following shares of the Company were held by Directors and Key Managerial Personnel of the Company :

Name	Designation	No of shares held as on 31.12.2018
Mr Biswadip Gupta	Chairman	3,749
Mr Sanjoy Dutta	Chief Financial Officer	3,200
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, Mr Sudipto Sarkar and Ms Nayantara Palchoudhuri, Independent Directors, are already familiar with the nature of the industry, business model and other aspects of the Company since they have been directors of the Company for a long period of time during which they had visited the factories at Kolkata and Visakhapatnam, had discussions and meetings with senior executives of the Company, they 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 on December 31, 2018, six Board meetings were held on February 15, 2018; April 10, 2018; May 8, 2018; August 6, 2018; November 1, 2018 and December 19, 2018. The Annual General Meeting was held on April 10, 2018.

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 10.04.2018
	Held	Eligible to attend	Attended		
Mr Biswadip Gupta	6	6	6	6,95,000	Yes
Mr Patrick Andre	6	6	3	Nil	Yes
Mr Tanmay Ganguly	6	6	4	Nil	Yes
Miss N Palchoudhuri	6	6	6	6,95,000	Yes
Mr Subrata Roy	6	6	6	Nil	Yes
Mr Sudipto Sarkar	6	6	5	5,80,000	No
Mr Jan Roel van der Sluis	6	1	1	Nil	NA

Mr Biswadip Gupta, Chairman of the Audit Committee, and Miss Nayantara Palchoudhuri on recommendation of Mr Sudipto Sarkar, Chairman of the Nomination and Remuneration Committee were present at the Annual General Meeting held on April 10, 2018. 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.

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, 2018 are given below :

Name of Director	Companies in India			Companies abroad
	No of Directorships held	No of Committees of which Chairman*	No of Committees of which Member only*	No of Directorships held
Mr Biswadip Gupta	10	2	1	Nil
Mr Patrick Georges Felix Andre	3	Nil	Nil	2
Mr Tanmay Kumar Ganguly	1	Nil	2	Nil
Miss Nayantara Palchoudhuri	10	Nil	4	Nil
Mr Subrata Roy	3	Nil	1	Nil
Mr Sudipto Sarkar	7	1	3	Nil
Mr Jan Roel van der Sluis	1	Nil	Nil	21

* 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, 2018 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)

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CORPORATE GOVERNANCE REPORT - 2018 *(Contd.)*

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 on December 31, 2018, five meetings of the Audit Committee were held on February 15, 2018; April 10, 2018; May 8, 2018; August 6, 2018; and November 1, 2018. 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	5	5	5	2,10,000
Mr Tanmay Kumar Ganguly	5	5	3	Nil
Miss Nayantara Palchoudhuri	5	5	5	2,10,000
Mr Sudipto Sarkar	5	5	4	1,65,000

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 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 on December 31, 2018, four meetings of the Nomination and Remuneration Committee were held on February 15, 2018; August 6, 2018; November 1, 2018; and December 19, 2018. 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	4	4	4	1,10,000
Mr Biswadip Gupta	4	4	4	1,10,000
Mr Tanmay Ganguly	4	4	2	Nil
Miss Nayantara Palchoudhuri	4	4	4	1,10,000

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

4.4. Performance Evaluation of Directors

This year the performance evaluation of each Independent Director of the Company and of the Board was done on November 1, 2018. The Board continued to deliver robust challenge to management of financial matters and helped guide the management through disruptions brought in by Insolvency and Bankruptcy Code and economic upheavals to the steel industry. The directors have received briefings and updates on key financial, legal and governance issues impacting the organization and have furthered their knowledge by undertaking visits to the Visakhapatnam plants. The Independent Directors 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 the Chairman. The evaluation concluded that the Board remained of high caliber and was functioning well, with open and challenging debate and transparent information flow. Assessment of individual Directors concluded that they contributed effectively and proactively in debates at all meetings and devoted adequate time. Committees have also operated effectively with the Nomination and Remuneration Committee effectively overseeing successful transition.

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

5. REMUNERATION TO DIRECTORS

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

5.2. Total Remuneration paid to Non-executive Directors for attending meetings of the Board and Committees during the year ended on December 31, 2018 is given below :

Name of Director	Sitting Fees Rs	Commission Rs	Total Rs
Mr Biswadip Gupta	6,95,000	14,40,000	21,35,000
Mr Patrick Andre	Nil	Nil	Nil
Mr Tanmay Ganguly	Nil	Nil	Nil
Miss Nayantara Palchoudhuri	6,95,000	11,40,000	18,35,000
Mr Sudipto Sarkar	5,80,000	11,00,000	16,80,000
Mr Jan Roel van der Sluis	Nil	Nil	Nil

5.3. Total Remuneration paid to Mr Subrata Roy, Managing Director, for the year ended on December 31, 2018 is given below :

Particulars	Amount Paid Rs
Salary and Allowances	1,02,32,700.00
Leave encashment	1,96,244.00
Performance Incentive	31,08,490.00
Perquisites and other payments	6,58,677.50
Contribution to Retirement Funds	13,91,655.60
Total for year ended 31.12.2018	**1,55,87,767.10**

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, 2018 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**

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The Committee met once during the year on February 15, 2018. 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	1	1	1	15,000
Mr Tanmay Kumar Ganguly	1	1	0	Nil
Miss Nayantara Palchoudhuri	1	1	1	15,000
Mr Subrata Roy	1	1	1	Nil
Mr Sudipto Sarkar	1	1	1	15,000

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, 2018, 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 : The Company Secretary is the Secretary of this Committee and the Compliance Officer and his contact details are given below :

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

7.3. Attendance: During the financial year ended on December 31, 2018, two meetings of the Committee were held on April 10, 2018 and December 31, 2018. 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	2	Nil
Mr Sudipto Sarkar	2	2	1	10,000

7.4. Pledge of shares : No pledge has been created over the Equity Shares held by the Promoters as on December 31, 2018.

7.5. Details of Complaints from Shareholders :

No. of complaints remaining unresolved as on 01.01.2018	:	Nil
No. of complaints received during the year	:	1
No. of complaints resolved during the year	:	1
No. of complaints unresolved as on 31.12.2018	:	Nil

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

No. of valid share transfer applications received	:	85
No. of share transfer applications processed & registered	:	34
No. of shares transferred	:	2596
No. of pending share transfers as on 31.12.2018	:	Nil
No. of shares dematerialised to NSDL	:	18991
No. of shares dematerialised to CDSL	:	12450
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
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.
27th	31.12.2017	G D Birla Sabhaghar, 29 Ashutosh Chowdhury Avenue, Kolkata 700 019	10.04.2018	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 28th Annual General Meeting to be held on April 25, 2019 one resolution is proposed to be passed as a 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 at least two months before the due date of transfer of their unclaimed dividend to the IEPF. Letters are also issued to the concerned Shareholders and an appropriate advertisement given at least three months before the due date of transfer to IEPF of the shares corresponding to the dividend which remained unclaimed for seven years.

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 700088 or sent by email at **vesuviusindia@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 28th Annual General Meeting of the Company will be held on Thursday, April 25, 2019 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, 2018.

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.

10.3. Record Date and Cut Off Date:

10.3.1. **Record Date is April 18, 2019** for determining those

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who will be entitled to receive dividend to be declared at the ensuing Annual General Meeting.

10.3.2. **Cut Off Date** is **April 18, 2019** 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 28th Annual General Meeting will be made through electronic voting. The electronic voting ("E-Voting") period will be **from 9.00 a.m. on April 21, 2019 to 5.00 p.m. on April 24, 2019,** both days inclusive.

10.4.2. A special resolution is proposed to be conducted through electronic voting for the appointment of Mr Sudipto Sarkar as Independent Director for a second term. No Special resolution is proposed to be passed by postal ballot.

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 GR-1, Gouri Bhaban, 28A, Gurupada Halder Road, Kolkata - 700026 [Phone: 9830201949; (033) 24750112 Email : akroyco@yahoo.co.in and anjanroy_2003@yahoo.co.in] 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 7/- per share of nominal value Rs 10/- each has been recommended by the Board of Directors for the year ended on December 31, 2018, 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 30, 2019 and payment of dividend will be made within May 7, 2019.

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 from January 1, 2018 to December 31, 2018 :

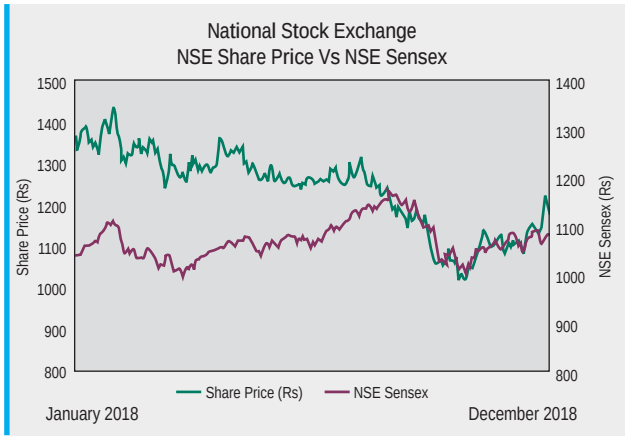
Month	High (Rs)	Low (Rs)	NSE Volume
January	1436.50	1323.10	167345
February	1371.40	1302.20	198958
March	1357.50	1241.65	104142
April	1366.95	1283.15	67611
May	1344.55	1260.30	88314
June	1280.65	1239.45	88148
July	1307.75	1253.05	30564
August	1321.45	1174.70	93405
September	1200.70	1099.90	78085
October	1100.40	1025.05	47760
November	1145.55	1065.05	236045
December	1226.25	1086.75	151088

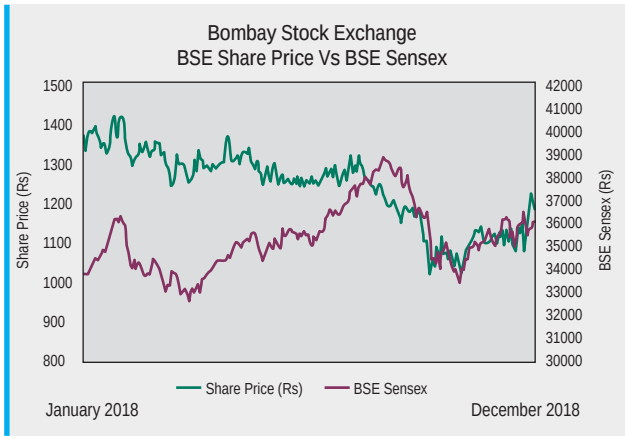
(ii) Bombay Stock Exchange - Market Price and Volume during the period from January 1, 2018 to December 31, 2018 :

Month	High (Rs)	Low (Rs)	BSE Volume
January	1420.00	1321.70	16810
February	1381.20	1291.05	8441
March	1351.70	1238.45	67870
April	1366.66	1280.60	20204
May	1339.25	1243.55	7440
June	1273.70	1241.35	136850
July	1319.40	1242.00	87917
August	1319.50	1189.80	56688
September	1207.05	1104.60	6195
October	1117.40	1021.95	7454
November	1142.40	1083.30	47795
December	1225.35	1079.10	2571

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, 2018 :

Shares held	Number of Shareholders	%	Number of Shares held	%
1 – 500	12,103	94.57	10,84,814	5.34
501 – 1000	286	2.24	2,25,168	1.11
1001 – 5000	310	2.42	6,69,965	3.30
5001 – 10000	45	0.35	3,46,496	1.71
10001 and above	54	0.42	1,79,69,637	88.54
Total	**12,798**	**100.00**	**2,02,96,080**	**100.00**

Shares held	Number of Shareholders	%	Number of Shares held	%
In Physical mode	2,087	16.31	3,00,070	1.48
Demat with NSDL	7,531	58.84	1,92,07,899	94.64
Demat with CDSL	3,180	24.85	7,88,111	3.88
Total	**12,798**	**100.00**	**2,02,96,080**	**100.00**

10.12. Shareholding pattern as on December 31, 2018:

Particulars	Number of Shares held	%
Vesuvius Group Limited, U.K.	1,12,77,650	55.57
Foreign Institutional Investors	96,436	0.48
Non Resident Indians	1,26,691	0.62
Alternative Investment Fund	5,312	0.03
Foreign Portfolio Investor	27,753	0.14
Indian Financial Institutions & Insurance companies	1,23,563	0.61
Nationalised & other Banks	2,095	0.01
Mutual Funds	42,06,894	20.73
Bodies Corporate	6,38,018	3.14
LLP	9,26,021	4.56
Individuals & Others	28,13,156	13.86
Investor Education & Protection Fund	51,681	0.25
Clearing member with Depositories	810	0.00
Total	**2,02,96,080**	**100.00**

ANNEXURE - I

CORPORATE GOVERNANCE REPORT - 2018 *(Contd.)*

10.13. Top ten shareholders as on December 31, 2018 :

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)	13,75,200	6.78
HDFC Trustee Company Ltd -A/c HDFC Mid-Cap Opportunities Fund	8,61,500	4.24
Catamaran Advisors LLP	7,77,658	3.83
Reliance Capital Trustee Co Ltd - A/c Reliance Multi Cap Fund	6,15,857	3.03
HDFC Small Cap Fund	4,18,420	2.06
HDFC Trustee Company Ltd -A/c HDFC Long Term Advantage Fund	4,00,000	1.97
Urjita J Master	2,28,365	1.13
Sudhir Enterprises Private Limited	1,44,000	0.71
Pivotal Business Managers LLP	1,33,000	0.66
Total	**1,62,31,650**	**79.97**

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

During the year, dividend amounting to Rs 4,63,364/- lying unclaimed in the Fourteenth Dividend Account relating to the year ended December 31, 2010 which had been declared at the Annual General Meeting of the Company held on April 19, 2011, was transferred in June, 2018 to the Investor Education and Protection Fund ("IEPF") of the Central Government after giving final reminder notices on January 30, 2018 to all concerned Shareholders.

10.15 Unclaimed Dividend to be transfered to IEPF :

Notices regarding dividend lying unclaimed, have been sent to all shareholders concerned on January 16, 2019. Final notices dated January 16, 2019 has been sent to those Shareholders whose dividend relating to the year ended December 31, 2011 are still lying unclaimed as these dividends will be transferred to Investor Education and Protection Fund of the Central Government in May, 2019.

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

a) 5,994 shares have been transferred to IEPF on June 8, 2018 in compliance with the provisions of Section 124 of the Companies Act, 2013 and Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules") after sending letters to the Shareholders and also after making an advertisement in the newspapers in this regard. Details of these shares transferred to IEPF are available on the following link **http://www.vesuviusindia.com/view viewdividendhistory.aspx**

b) The Company has issued letters dated February 14, 2019 to those shareholders whose shares are eligible to be transferred to IEPF during the year 2019 by giving them at least three months notice and also informing them through an appropriate advertisement in the newspapers on February 20, 2019. The Notice is also available on the Company's website **www.vesuviusindia.com** under heading "Announcements".

10.17 Unclaimed Shares

As on December 31, 2018 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 The disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are mentioned in the Report of the Directors and hence are not repeated in this Report.

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

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

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

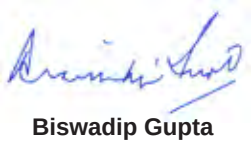
11.8. The Company does not have any subsidiary therefore corresponding disclosures have not been made.

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

11.10. 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**

11.11. 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



Biswadip Gupta
Chairman
DIN 00048258

Place: Kolkata
Date: February 27, 2019

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, 2018, and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with other applicable provisions of law during the aforesaid period.

B. That our audit is an independent audit of compliance of corporate governance norms and procedures as maintained by M/s. Vesuvius India Limited. That compliance of corporate governance norms and procedures is the responsibility of the Company. That our audit is neither an opinion on financial statements of the Company nor on future viability of the Company or on effective management of the Company.

C. In our opinion and to the best of our understanding, based on the records, documents, books and other information furnished to us during the aforesaid audit by the Company, its officers and agents, we confirm that the Company has complied with the corporate governance norms and procedures, as referred above and to the extent applicable to the Company, during the aforesaid period under scrutiny.

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

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

Place : Kolkata
Date : 27/02/2019

Office Address : GR 1, Gouri Bhaban, 28A Gurupada Halder Road, Kolkata - 700 026. 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, 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Vesuvius India Limited** (hereinafter called "**the Company"**) for and during the financial year ended 31st December, 2018. 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, 2018 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, 2018 according to the provisions of:

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

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

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

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

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

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

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

      c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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

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

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

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

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

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **The provisions were not attracted during the period under review;**

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

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

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

b) Public Liability Insurance Act, 1991, and

c) Sexual Harassment of Women 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 BSE 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 member's views, if any, are captured and recorded as part of the minutes.

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

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

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

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

Place : Kolkata
Date : 27/02/2019

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

ANJAN KUMAR ROY & CO.
COMPANY SECRETARIES

'Annexure A'
(To the Secretarial Audit Report of M/s. Vesuvius India Limited for the financial year ended 31/12/2018)

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

Our Secretarial Audit Report for the financial year ended 31/12/2018 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

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

Place : Kolkata
Date : 27/02/2019

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

SECRETARIAL COMPLIANCE REPORT

ANJAN KUMAR ROY & CO.

COMPANY SECRETARIES

SECRETARIAL COMPLIANCE REPORT
OF
VESUVIUS INDIA LIMITED
FOR THE FINANCIAL YEAR ENDED ON 31st December, 2018
[Pursuant to Circular No. CIR/CFD/CMDI/27/2019 dated 08/02/2019 issued by Securities and Exchange Board of India]

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

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

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

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

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

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

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

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

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

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

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

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

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

Place : Kolkata
Date : 27/02/2019

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

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on December 31, 2018

[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	: Listed public limited 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/ 6720/ 6724 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	90.7%
2	Services		9.3%

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	0	0	0.00	0.00	0	0	0	0.00	0.00
b) Central Government	0	0	0.00	0.00	0	0	0	0.00	0.00
c) State Governments	0	0	0.00	0.00	0	0	0	0.00	0.00
d) Bodies corporate	0	0	0.00	0.00	0	0	0	0.00	0.00
e) Banks /Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1) :	0	0	0	0.00	0	0	0	0.00	0.00

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	0	0	0	0.00	0	0	0	0.00	0.00
b) Other- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
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	3874192	100	3874292	19.09	4206894	0	4206894	20.73	1.64
b) Banks / Financial Institutions	5416	600	6016	0.03	1695	600	2295	0.01	-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	288260	0	288260	1.42	123363	0	123363	0.61	-0.81
g) Foreign Institutional Investors (FII)	104172	0	104172	0.51	96436	0	96436	0.47	-0.04
h) Foreign Venture Capital Funds			0	0.00			0	0.00	0.00
i) Others (Specify)									
Foreign Portfolio Investors	34588	0	34588	0.17	27753	0	27753	0.14	-0.03
Overseas Corporate Body (OCB)	0	80	80	0.00	0	0	0	0.00	0.00
Alternate Investment funds	67300	0	67300	0.33	5312	0	5312	0.02	-0.31
Sub-total (B) (1) :	4373928	780	4374708	21.55	4461453	600	4462053	21.98	0.43
(2) Non-Institutions									
a) Bodies Corporates & LLP									
i) Indian	1526755	60543	1587298	7.82	1503497	60542	1564039	7.71	-0.11
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	1815971	240889	2056860	10.13	1843011	206734	2049745	10.10	-0.03
ii) Individual shareholders holding nominal share capital in excess of Rs 2 Lakh	771289	35293	806582	3.97	730417	32194	762611	3.76	-0.21
c) Others (specify)									
1. NRI	123520	0	123520	0.60	126691	0	126691	0.62	0.02
2. Clearing Member	23071	0	23071	0.12	810	0	810	0.00	-0.12
3. Trust	704	0	704	0.00	800	0	800	0.00	0.00
4. IEPF Authority	45687	0	45687	0.24	51681	0	51681	0.26	0.03
Sub-total (B) (2) :	4306997	336725	4643722	22.87	4256907	299470	4556377	22.45	-0.42
Total Public Shareholding (B) (B) = (B)(1) + (B)(2)	8680925	337505	9018430	44.43	8718360	300070	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)	19958575	337505	20296080	100.00	19996010	300070	20296080	100.00	0.00

ANNEXURE - V

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN *(Contd.)*
as on the financial year ended on December 31, 2018

(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

(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 the company	No of shares	% of total shares of the company
1	RELIANCE CAPITAL TRUSTEE CO. LTD. - A/C RELIANCE TAX SAVER (ELSS) FUND					
	a) At the Beginning of the Year		1182598	5.83		
	b) Changes during the Year	BOUGHT	192602	0.95		
	c) At the end of the year				1375200	6.78
2	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	SOLD	250000	1.23		
	c) At the end of the year				861500	4.24
3	CATAMARAN MANAGEMENT SERVICES PRIVATE LIMITED					
	a) At the Beginning of the Year		727658	3.59		
	b) Changes during the Year	BOUGHT	50000	0.24		
	c) At the end of the year				777658	3.83
4	RELIANCE CAPITAL TRUSTEE CO. LTD. - A/C RELIANCE MULTI CAP FUND					
	a) At the Beginning of the Year		615857	3.03		
	b) Changes during the Year		NO CHANGE DURING THE YEAR			
	c) At the end of the year				615857	3.03
5	HDFC SMALL CAP FUND					
	a) At the Beginning of the Year		148420	0.73		
	b) Changes during the Year	BOUGHT	270000	1.33		
	c) At the end of the year				418420	2.06

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
6	HDFC TRUSTEE COMPANY LTD - HDFC LONG TERM ADVANTAGE FUND					
	a) At the Beginning of the Year		420000	2.07		
	b) Changes during the Year	SOLD	20000	0.10		
	c) At the end of the year				400000	1.97
7	URGITA MASTER					
	a) At the Beginning of the Year		225250	1.11		
	b) Changes during the Year	BOUGHT	3115	0.02		
	c) At the end of the year				228365	1.13
8	SUDHIR ENTERPRISES PRIVATE LIMITED					
	a) At the Beginning of the Year		144000	0.71		
	b) Changes during the Year		NO CHANGE DURING THE YEAR			
	c) At the end of the year				144000	0.71
9	PIVOTAL BUSINESS MANAGERS LLP					
	a) At the Beginning of the Year		133000	0.66		
	b) Changes during the Year		NO CHANGE DURING THE YEAR			
	c) At the end of the year				133000	0.66
10	K MOHAN					
	a) At the Beginning of the Year		127000	0.63		
	b) Changes during the Year		NO CHANGE DURING THE YEAR			
	c) At the end of the year				127000	0.63

(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	SOLD	35000	0.172		
	c) At the end of the year				3749	0.019
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
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	SOLD	3300	0.016		
	c) At the end of the year				Nil	Nil
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

ANNEXURE - V

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN *(Contd.)*
as on the financial year ended on December 31, 2018

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 01.01.2018				
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 31.12.2018				
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	13537434	13537434
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	658678	658678
	(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)	14196112	14196112
	Ceiling as per the Act		Rs 47760405

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	695000	580000	695000	1970000
	Commission	1440000	1100000	1140000	3680000
	Others, please specify	0	0	0	0
	Total (1)	2135000	1680000	1835000	5650000

Sl No	Particulars of Remuneration	Names of the Directors			Total Amount
		Patrick Andre	Tanmay Ganguly	Jan Roel van der Sluis	
		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)	2135000	1680000	1835000	5650000
	Total Managerial Remuneration				Rs 5650000
	Overall Ceiling as per the Act				Rs 9552081

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	4891754	8386106	13277860
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NA	239963	607311	847274
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NA			
2	Stock Option	NA	Nil	Nil	
3	Sweat Equity	NA	Nil	Nil	
4	Commission - As a % of Profit	NA	Nil	Nil	
	- Others, specify	NA	Nil	Nil	
5	Others, please specify	NA	Nil	Nil	
	TOTAL (A)	NA	5131717	8993417	14125134

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 - VI

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

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

(A) Conservation of energy-

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

Energy usage optimization programs continue at all the manufacturing units. These have resulted in saving cost as well as specific energy consumption. Projects such as replacing electrical vaporizers with heater less vaporizers at LPG storage, installation of high efficiency pumps and new generation air handling units with variable frequency drives at the centralised air conditioning plant, LED lights at all offices at precast and monolithic plants are the major initiatives executed.

Conversion of all outdoor lights from mercury vapor lamps and CFL lamps to LED lights in both the Viskhapatnam plants has given us energy savings approx. 60,000 KWH per year. Replaced the screw compressor of plant at Visakhapatnam with VSD compressor which gives energy savings of approx. 12,000 KWH per year. Oven A cycle time reduction from 27 Hrs. to 24 Hrs. at Visakhapatnam, which has given a reduction of specific LPG consumption from 27 Kg/ Ton to 25 Kg/ Ton.

(ii) *the steps taken by the company for utilising alternate sources of energy;*
Project report and proposals for installation of solar panels at all the three manufacturing units have been done in 2018.

(iii) *the capital investment on energy conservation equipment;*
Rs 91 lakhs has been incurred on energy saving equipment during the year.

(B) Technology absorption-

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

During 2018, a number of new technologies were introduced to our valued customers in India. Edge Port design of Sub-Entry Nozzles (SEN) was developed by our Solutions Team in Europe. Our plant in Kolkata successfully implemented the Edge port manufacturing technology. Edge port SENs have a high potential to improve the quality of steel slab casting for relevant customers. G-102 and G-105 special coating technologies for SENs were introduced during 2018 for steel slab casters in India. These technologies again will help our customers to improve their product quality and yield.

Our Visakhapatnam plants introduced TurboPlus® range of high-performance tundish flow modifier for key customers. Successful indigenous development of a new generation of trough castables for optimum cost in use was also a milestone.

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

Product development/improvement: Significant improvement in Taphole Clay range of products, resulting in business penetration at key customers with large blast furnaces.

Cost reduction: Successful indigenous development of a new generation of blast furnace trough castables for optimum cost in use was also a milestone.

Import substitution: Various projects have been successfully implemented towards import substitution and improvement in consistency in quality of our products in line with our Group international standards. These efforts have resulted in indigenizing 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
G 102 Coating technology	2018	Fully absorbed
G 105 Coating technology	2018	Fully absorbed
Edge Port technology	2018	Fully absorbed
TurboPlus®	2018	Fully absorbed

(iv) *the expenditure incurred on Research and Development :* The Company is benefitting from the Group's Research and Development unit at Visakhapatnam which is primarily for monolithic products. The Company has not incurred capital expenditure on R&D. Rs 28024492 has been incurred as R&D expenses at the R& D unit at Visakhapatnam. All other R&D support are received from the Vesuvius Group.

(C) Foreign exchange earnings and Outgo-

Foreign Exchange earned in terms of actual inflows : Rs 13442 lakhs

Foreign Exchange outgo during the year in terms of actual outflows : Rs 35417 lakhs (including dividend remittance)

ANNEXURE -VII

PARTICULARS OF EMPLOYEES

for the year ended on December 31, 2018

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	48	Nil	Chief Operations Officer	73,01,433	M.Tech (Polymer Science)	23	12.12.1995	First employment
P K Banerjee	60	Nil	Head-Blast Furnace Stack Advanced Refractories	47,70,122	BE (Mechanical)	36	19.02.1999	K.S.R. International (I) Ltd, Manager Services
Sudarshan Das	53	3500	Global Product Manager VISO/VAPEX Speciality Segment	95,78,147	BE (Metallurgy)	29	09.04.2007	Pyrotek Inc, Canada, Sales Manager [India & Other Asia]
Arijit Dutta	46	Nil	Financial Controller-Advanced Refractories	50,29,419	ACA	19	19.06.2006	Tata Chemicals Ltd, Manager Accounts
Sanjoy Dutta	57	3200	Chief Financial Officer	106,87,061	B.Com (Hons), ACA	32	24.06.1998	ICI India Ltd, Financial Controller
U K Shashi Kumar	48	10	Chief-Flow Control Sales	77,41,312	B.Tech (Metallurgy)	26	06.09.1994	Murugappa Morgan Thermal Ceramics Ltd, Sales Officer
Arunava Maitra (See Note 4)	49	Nil	Chief-HR	99,95,228	MBM	23	23.05.1998	Titagarh Paper Mills, Personnel Executive
Bikash Nandi	50	Nil	Chief-Advanced Refractory Sales	98,76,654	B.Tech (Ceramic Engg)	27	01.07.2000	Carborundum Universal Ltd, Assistant Manager
Subhabrata Nandi	45	Nil	Finance Controller-Flow Control	46,38,847	ACA	21	15.11.2004	SHV Energy Pvt Ltd, Manager-Finance & Accounts
Subrata Roy	53	Nil	Managing Director	155,87,767	BE (Mechanical)	31	06.09.1993	BHEL, Sr Engineer
Taposh Roy	57	1	Company Secretary	60,22,607	B.Com (Hons), ACA, FCS	33	01.02.2001	BOC India Ltd, Company Secretary
Amit Banik	46	Nil	General Manager-Advanced Refractory-Iron Making	44,62,335	B.Tech (Ceramic Engg)	24	07.11.2005	The Associated Cement Companies Ltd, Marketing Manager

Notes :

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

ANNEXURE -VII

PARTICULARS OF EMPLOYEES *(Contd.)*

for the year ended on December 31, 2018

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

Requirements of Rule 5(1)		Details
(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	:	Mr Biswadip Gupta : 127 % Mr Patrick Andre : NA Mr T Ganguly : NA Miss N Palchoudhuri : 110 % Mr Subrata Roy : 931 % Mr Sudipto Sarkar : 101 % Mr J R van der Sluis : NA
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	:	Mr Biswadip Gupta : 53 % Mr Patrick Andre : NA Mr T Ganguly : NA Miss N Palchoudhuri : 54 % Mr Subrata Roy : Nil Mr S Sarkar : 53 % Mr J R van der Sluis : NA Mr S Dutta, CFO : 1 % Mr T Roy, CS : 1 %
(iii) the percentage increase in the median remuneration of employees in the financial year;	:	7%
(iv) The number of permanent employees on the rolls of company;	:	439 employees as on 31.12.2018
(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 8 % Average increase of managerial persons is 5.50 % 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, 2018 is as per the Remuneration Policy of the Company

ANNEXURE VIII :

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

for the year ended on December 31, 2018

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

   The Policy entails CSR spending on :
   1. Education and Skill Development
   2. Health Care
   3. Poverty eradication
   4. Hunger eradication
   5. Women and Child Welfare
   6. Conservation and Environment

2. The Composition of the CSR Committee as on 31.12.2018 : **Chairman :** Mr Biswadip Gupta

   Members : Mr Tanmay Ganguly,

   Miss Nayantara Palchoudhuri, Mr Subrata Roy and Mr Sudipto Sarkar

   Mr Ritesh Dungarwal replaced Mr Subrata Roy as member of CSR Committee on 1.1.2019

3. Average net profit of the Company for last three financial years : Rs 13127 lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : Rs 262.54 Lakhs

5. Details of CSR spent during the financial year :

   (a) Total amount spent for the financial year : Rs 44,20,739

   (b) Amount unspent, if any : Rs 214.33 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, underprivileged children and technical education	Aid for Cancer Patients and rehabilitation	
2	Sector in which the Project is covered	Education & Skill Development	Health Care	
3	Projects or programs (1) Local area or other	Local	Local & Mumbai	
	(2) Specify the State and district where projects or programs was undertaken	Kolkata & suburbs, West Bengal	Mumbai, Maharashtra	
4	Amount outlay (budget) project or programs wise	Rs 37,00,000	Rs 8,00,000	Rs 45,00,000
5	Amount spent on the projects or programs **Sub-heads:** (1) Direct expenditure on projects or programs	Rs 37,12,239	Rs 7,08,500	Rs 44,20,739
	(2) Overheads:	Rs Nil	Rs Nil	Rs Nil
6	Cumulative expenditure upto the reporting period	Rs 37,12,239	Rs 7,08,500	Rs 44,20,739
7	Amount spent: Direct or through implementing agency	Indian Institute of Cerebral Palsy Rs 16.84 lakhs Ramkrishna Mission Shilpapitha Rs 4.54 lakhs Women's Coordinating Council Rs 11 lakhs Nabadisha School Rs 0.74 lakhs Ramkrishna Mission Boys Home-Belur Math Rs 4 lakhs	Anandam Rs 2 lakhs Mukti Rehabilitation Centre Rs 5.09 lakhs	Rs 44,20,739

ANNEXURE VIII :

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

for the year ended on December 31, 2018

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. The Company has so far selected The Indian Institute of Cerebral Palsy, Kolkata; Ramkrishna Mission Shilpapitha, Kolkata; Women's Coordinating Council, Kolkata; Nabadisha School, Kolkata; Ramkrishna Mission Boys Home-Belur Math as beneficiaries for CSR projects for their educational and skill development support and also chosen ANANDAM, Mumbai and Mukti Rehabilitation Centre, Kolkata for Healthcare. The Company is in the process of further increasing its portfolio of projects in 2019. There has been some delay in execution of CSR projects in past on account of due diligence process to ensure that the benefit reaches the targeted recipient. However, the Company remains committed and is better prepared to meet its obligations related with CSR spend during the next financial year 2019.

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.

Ritesh Dungarwal Managing Director & Member, CSR Committee	**Biswadip Gupta** Chairman, CSR Committee	**Vikram Singh** Secretary CSR Committee

Place : Kolkata

Date : February 27, 2019

ANNEXURE IX :

MANAGING DIRECTOR'S CERTIFICATE

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

DECLARATION

As required under Regulation 34(3) read with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all Members of the Board of Directors of the Company and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended on December 31, 2018.

Ritesh Dungarwal
Managing Director
(DIN : 08136275)

Place : Kolkata
Date : February 14, 2019

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, 2018, 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 theaccounting 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, 2018, 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.

Report on Other Legal and Regulatory Requirements

9. 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.

10. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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

(g) With respect to the other matters to be included in the 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, 2018 on its financial position in its Ind AS financial statements - Refer Note 34;

(ii) The Company has long-term contracts as at December 31, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at December 31, 2018.

(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, 2018.

(iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended December 31, 2018.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number : 012754N/N500016
Chartered Accountants

Sougata Mukherjee
Partner
Membership Number 057084

Gurugram
February 27, 2019

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(f) 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, 2018

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

1. We have audited the internal financial controls with reference to financial statements of Vesuvius India Limited ("the Company") as of December 31, 2018 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at December 31, 2018, 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 27, 2019

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 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, 2018

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, duty of customs, goods and service tax 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 and goods and service tax as at December 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (In Rs. Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Disallowances arising in income tax proceedings (Net of Deposits of Rs. 4,307 lakhs)	156	Assessment Year 2007 - 08 and 2014 - 15	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Disallowances of Cenvat credit (Net of Deposits of Rs. 10 lakhs)	275	2006 to 2017	Central Excise and Service Tax Appellate Tribunal, Additional Commissioner, Assistant Commissioner, Commissioner (Appeals)
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 Annellate 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. 126 lakhs)	306	2005 - 06, 2011 to 2014, 2015 - 16	Sales Tax Appellate Tribunal, Commissioner (Appeals), Additional Commissioner (Appeals)
Central Sales Tax Act, 1956	Disallowance of stock transfer	1,955	2008 to 2012	Sales Tax Appellate Tribunal
West Bengal Value Added Tax Act, 2003	Non-submission of forms (net of deposits of Rs. 16 lakhs)	154	2011-12, 2013- 14 and 2015-16	Commissioner (Appeals)
Andhra Pradesh Value Added Tax Act, 2005	Denial of input credits (net of deposits of Rs. 24 lakhs)	21	2011 to 2013	Sales Tax Appellate Tribunal
Andhra Pradesh Value Added Tax Act, 2005	Disallowance of stock transfer (net of deposits of Rs. 4.60 lakhs)	14	2010 to 2011	Commissioner (Appeals)
Karnataka Value Added Tax Act, 2003	Denial of Inputs credits (Net of deposits of Rs. 99 lakhs)	100	2005 to 2007	Hon'ble Supreme Court of India

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

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

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

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

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 (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Sougata Mukherjee
Partner
Membership Number 057084

Gurugram
February 27, 2019

Balance Sheet
as at December 31, 2018

(Amount in Rupees Lakhs, unless stated otherwise)

	Notes	As at December 31, 2018	As at December 31, 2017
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	**11,929**	11,303
(b) Capital work-in-progress	4	**2,604**	3,809
(c) Intangible assets	5	**149**	6
(d) Financial assets			
(i) Loans	6	**93**	97
(ii) Other financial assets	7	**230**	185
(e) Non current tax asset (net)	8	**1,820**	1,482
(f) Deferred tax assets	9	**1,153**	935
(g) Other non-current assets	10	**534**	307
Total non-current assets		**18,512**	18,124
(2) Current assets			
(a) Inventories	11	**12,310**	9,474
(b) Financial assets			
(i) Trade receivables	12	**18,141**	21,994
(ii) Cash and cash equivalents	13	**11,383**	34,525
(iii) Bank balances other than (ii) above	14	**30,550**	48
(iv) Loans	15	**33**	28
(v) Other financial assets	16	**275**	216
(c) Other current assets	17	**1,337**	992
Total current assets		**74,029**	67,277
Total assets		**92,541**	85,401
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	**2,030**	2,030
(b) Other equity	18	**71,749**	64,061
Total equity		**73,779**	**66,091**
Liabilities			
(1) Non-current liabilities			
(a) Long-term provisions	19	**1,247**	1,248
Total non-current liabilities		**1,247**	**1,248**
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	20	242	127
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	20	14,098	15,180
(ii) Other financial liabilities	21	1,392	1,426
(b) Other current liabilities	22	552	447
(c) Short-term provisions	23	9	10
(d) Current tax liabilities (net)	24	1,222	872
Total current liabilities		**17,515**	18,062
Total liabilities		**18,762**	19,310
Total equity and liabilities		**92,541**	85,401

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

This is the Balance Sheet referred to in our report of even date

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

Sougata Mukherjee
Partner
Membership No. 057084

Place: Gurugram
Date: February 27, 2019

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

Ritesh Dungarwal
Managing Director
DIN: 08136275

Biswadip Gupta
Chairman
DIN : 00048258

Vikram Singh
Company Secretary

Sanjoy Dutta
Chief Financial Officer

Place: Kolkata
Date: February 27, 2019

Statement of Profit and Loss

for the year ended December 31, 2018

(Amount in Rupees Lakhs, unless stated otherwise)

	Notes	For the year ended December 31, 2018	For the year ended December 31, 2017
(a) Revenue from operations	25	**92,507**	94,952
(b) Other income	26	**2,277**	1,322
Total income		**94,784**	96,274
Expenses			
(a) Cost of materials consumed	27	**36,161**	31,194
(b) Purchase of stock-in-trade	28	**20,276**	18,511
(c) Changes in inventories of finished goods, work-in progress and stock-in-trade	29	**(2,906)**	626
(d) Employee benefits expense	30	**5,835**	5,576
(e) Depreciation and amortisation expense	31	**2,781**	2,978
(f) Excise duty recovered on sales		**-**	3,825
(g) Other expenses	32	**18,400**	18,629
Total expenses		**80,547**	81,339
Profit before exceptional items and tax		**14,237**	14,935
Exceptional items	47	**-**	444
Profit before tax		**14,237**	14,491
Tax expense			
- Current tax	42	**5,250**	5,492
- Deferred tax	42	**(265)**	(446)
Total tax expense		**4,985**	5,046
Profit for the year		**9,252**	9,445
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurements gains / (losses) of post-employment benefit obligations	43	**135**	83
(b) Income-tax relationg to above items	42	**(47)**	(29)
Other comprehensive income for the year, net of tax		**88**	54
Total comprehensive income for the year		**9,340**	9,499
Earnings per equity share: Face value Rs. 10 each (2017: Rs. 10 each)	33		
Basic earnings per share		**45.59**	46.54
Diluted earnings per share		**45.59**	46.54

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

This is the Statement of Profit and Loss referred to in our report of even date

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

Sougata Mukherjee
Partner
Membership No. 057084

Place: Gurugram
Date: February 27, 2019

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

Ritesh Dungarwal
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Biswadip Gupta
Chairman
DIN : 00048258

Vikram Singh
Company Secretary

Sanjoy Dutta
Chief Financial Officer

Place: Kolkata
Date: February 27, 2019

Statement of Cash Flows

for the year ended December 31, 2018

(Amount in Rupees Lakhs, unless stated otherwise)

	For the year ended December 31, 2018	For the year ended December 31, 2017
Cash flows from operating activities		
Net profit before tax	**14,237**	14,491
Adjustments for:		
Depreciation and amortisation expenses	**2,781**	2,978
Provision for doubtful trade receivables/advances	**24**	35
Provision for doubtful trade receivables written back	**(16)**	(18)
Loss/(gain) on sale/disposal/discard of property, plant and equipment (net)	**(10)**	(1)
Unrealised loss/(gain) foreign exchange differences (net)	**(78)**	18
Interest income on fixed deposits	**(2,096)**	(1,241)
Operating profit before working capital changes	**14,842**	16,262
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	**3,838**	4,719
Inventories	**(2,836)**	(39)
Loans - non-current and current	**(1)**	(12)
Other financial assets - Current	**52**	(49)
Other financial assets - Non Current	**(45)**	41
Other non current assets	**(55)**	3
Other current assets	**(345)**	565
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	**(882)**	3,272
Other current liabilities	**105**	(500)
Other financial liabilities - current	**(104)**	350
Long-term and Short-term provisions	**133**	149
Cash generated from operations	**14,702**	24,761
Income taxes paid	**(5,238)**	(5,667)
Net cash from operating activities (A)	**9,464**	19,094
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment including capital advances	**(2,506)**	(3,983)
Proceeds from disposal of property, plant and equipment	**67**	1
Interest received	**1,985**	1,144
Redemption/(Purchase) of fixed deposits (with maturity more than three months)	**(30,500)**	3,000
Net cash from investing activities (B)	**(30,954)**	162
Cash flows from financing activities		
Dividend paid	**(1,370)**	(1,319)
Dividend tax paid	**(282)**	(269)
Net cash used in financing activities (C)	**(1,652)**	(1,588)
Net increase in cash and cash equivalents (A+B+C)	**(23,142)**	17,668
Cash and cash equivalents at the beginning of the year (refer note I below)	**34,525**	16,857
Cash and cash equivalents at the end of the year (refer note I below)	**11,383**	34,525

Notes to Cash Flow Statement

(Amount in Rupees Lakhs, unless stated otherwise)

	For the year ended December 31, 2018	For the year ended December 31, 2017
I. Components of cash and cash equivalents:		
Cash on hand	**1**	1
Balances with scheduled banks:		
- On current accounts	**1,882**	3,524
- On deposit accounts (deposits having original maturity of 3 months or less)	**9,500**	31,000
Cash and cash equivalents as per note 13	**11,383**	34,525

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

The notes 1 to 47 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 27, 2019

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

Ritesh Dungarwal
Managing Director
DIN: 08136275

Biswadip Gupta
Chairman
DIN : 00048258

Vikram Singh
Company Secretary

Sanjoy Dutta
Chief Financial Officer

Place: Kolkata
Date: February 27, 2019

Statement of Changes in Equity

for the year ended December 31, 2018

(Amount in Rupees Lakhs, unless stated otherwise)

A. Equity share capital

Description	Notes	Amount
As at January 1, 2017	18	2,030
Changes in equity share capital		-
As at December 31, 2017		**2,030**
Changes in equity share capital		-
As at December 31, 2018		**2,030**

B. Other equity

Description	Notes	Reserve and surplus				Total other equity
		Capital reserve	Securities premium	General reserve	Retained earnings	
Balance at January 1, 2017	18	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		**-**	**-**	**-**	**9,499**	**9,499**
Dividends paid (including dividend distribution tax thereon of Rs. 269)					(1,588)	(1,588)
Balance at December 31, 2017		**18**	**1,695**	**6,829**	**55,519**	**64,061**

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

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

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

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

Sougata Mukherjee
Partner
Membership No. 057084

Place: Gurugram
Date: February 27, 2019

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

Ritesh Dungarwal
Managing Director
DIN: 08136275

Biswadip Gupta
Chairman
DIN : 00048258

Vikram Singh
Company Secretary

Sanjoy Dutta
Chief Financial Officer

Place: Kolkata
Date: February 27, 2019

Notes forming part of financial statements

Note 1 Company overview

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

Note 1 .1 Approval for issue

These financial statements were approved for issue with a resolution of the Board of Directors on February 27, 2019.

Note 2 Significant accounting policies

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

Note 2.1 Basis of preparation:

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

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

(iii) Classification of assets and liabilities

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

Note 2.2 Use of estimates

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

Note 2.3 Property, plant and equipment:

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

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

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

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

Note 2.4 Capital Work in Progress

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

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

Note 2.5 Intangible assets

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

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

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

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

Note 2.6 Depreciation and amortisation:

Property, plant and equipment

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

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

The useful life of the assets are provided hereunder:

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

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

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

Intangible assets

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

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

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

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

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

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

Note 2.7 Impairment of assets

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

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

Note 2.8 Inventories

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

Note 2.9 Revenue recognition

(i) 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.

(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.

Note 2.10 Government grant/ subsidy

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

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

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

Note 2.11 Taxes on income

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and

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

tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

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

Note 2.12 Employee benefits

(i) Short-term obligations

"Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet. Cost of non-accumulating compensated absences is recognised when absences occur. Costs of other short term employee benefits includes compensated leave balance which are encashable 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). The Company's contribution to LICI is recognised as an expense in the profit or loss during the period in which the employee renders the related service."

(b) Defined benefit plans

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

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

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 on government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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

Note 2.13 Foreign currency transactions and balances

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

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

Note 2.14 Provisions, contingent liabilities and contingent assets

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

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

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are disclosed in the financial statements.

Note 2.15 Fair value measurement

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

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

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

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

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

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

Note 2.16 Financial Instruments

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

Note 2.17 Financial assets

Classification and Measurement

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

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

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

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

Amortised cost

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

Impairment of financial assets

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

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

Derecognition of financial assets

A financial asset is derecognised only when

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

Income recognition

Interest income

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

Dividends

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

Note 2.18 Off-setting financial instruments

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

Note 2.19 Financial Liabilities

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

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

Classification, initial recognition and measurement

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

Subsequent measurement

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

De-recognition of financial liability

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

Note 2.20 Leases

As a lessee

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

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

As a lessor

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

Note 2.21 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Note 2.22 Cash and cash equivalents

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

Note 2.23 Earnings per share

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

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

Note 2.24 Dividends

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

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

Note 2.25 Rounding of amounts

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

Note 2.26 Recent Accounting Pronouncements

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

Ind AS 115 - Revenue from Contracts with Customers

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

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

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

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

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

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

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

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

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

Note 2.27 Use of estimates and judgements

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

Useful lives of property, plant and equipment

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

Valuation of deferred tax assets

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

Provisions and contingent liabilities

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

Employee defined benefit obligation

For estimates relating to employee defined benefit obligations. *Refer Note 43*

(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, 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**
Balance as at January 1, 2018	274	189	3,634	9,780	2,298	96	1	397	348	17,017
Additions during the year			768	1,442	702	67		217	203	3,399
Discarded /disposed off during the year				1,579				250		1,829
Balance as at December 31, 2018	**274**	**189**	**4,402**	**9,643**	**3,000**	**163**	**1**	**364**	**551**	**18,587**
Accumulated depreciation										
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**
Balance as at January 1, 2018	-	64	337	3,696	1,243	56	-	186	132	5,714
Depreciation for the year		29	195	1,563	695	51		116	67	2,716
Accumulated depreciation on discard/ disposals	-	-	-	1,522	-	-	-	250		1,772
Balance as at December 31, 2018	**-**	**93**	**532**	**3,737**	**1,938**	**107**	**-**	**52**	**199**	**6,658**
Net carrying amount										
Balance as at January 1, 2017	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
Balance as at December 31, 2018	274	96	3,870	5,906	1,062	56	1	312	352	11,929

Note: (i) All the above assets are owned by the Company, except those specifically identified as leasehold.
(ii) Building includes carrying amount of **Rs. 1,856** [December 31, 2017: Rs. 1,955] and **Rs. 119** [December 31, 2017: Rs 126] situated at leasehold lands at Kolkata and Mehsana respectively.
(iii) Leasehold land includes 20,187 sq meteres of land at Kolkata for which renewal of the lease agreement is under progress.

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

(Amount in Rupees Lakhs, unless stated otherwise)

4. Capital work-in-progress

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

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

5. Intangible assets

Particulars	Computer Software
Gross Block	
Balance as at January 1, 2017	15
Additions	-
Discard/disposals	-
Balance as at December 31, 2017	**15**
Balance as at January 1, 2018	**15**
Additions	208
Discard/disposals	-
Balance as at December 31, 2018	**223**
Accumulated amortiation	
Balance as at January 1, 2017	4
Depreciation for the year	5
Accumulated depreciation on discard/ disposals	-
Balance as at December 31, 2017	**9**
Balance as at January 1, 2018	**9**
Depreciation for the year	**65**
Accumulated depreciation on discard/ disposals	-
Balance as at December 31, 2018	**74**
Net carrying amount	
Balance as at January 1, 2017	**11**
Balance as at December 31, 2017	**6**
Balance as at December 31, 2018	**149**

6. Loans - Non current

	As at December 31, 2018	As at December 31, 2017
Unsecured - considered good		
Loans to employee	**93**	97
Total loans financial assets - Non current	**93**	97

7. Other financial assets - Non current

Unsecured - considered good		
Security Deposits	**230**	185
Total other financial assets - Non current	**230**	185

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. 29,467** (December 31, 2017: 29,084)]	**1,820**	1,482
Total non current tax asset (net)	**1,820**	1,482

(Amount in Rupees Lakhs, unless stated otherwise)

9. Deferred tax assets

	As at December 31, 2018	As at December 31, 2017
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	**245**	48
Expenditure allowable on payments basis	**730**	681
Provision for doubtful trade receivables, advances, etc.	**145**	157
Voluntary retirement expenses	**33**	49
Total Deferred tax assets	**1,153**	935

10. Other non-current assets

Capital advances	**172**	-
Prepaid expenses	**89**	67
Deposits against demand in disputes	**273**	240
Total other non-current assets	**534**	307

11. Inventories

Raw Materials [including goods in transit **Rs. 2,053** (December 31, 2017 : Rs. 2,358)]	**5,282**	5,708
Work-in-progress	**1,044**	1,006
Finished goods	**3,211**	1,028
Stock-in-trade [including goods in transit **Rs.625** (December 31,2017 : Rs. 322)]	**2,052**	1,367
Stores and spares [including goods in transit **Nil** (December 31,2017 : Rs. 16)]	**721**	365
Total inventories	**12,310**	9,474

12. Trade receivables

Trade receivables		
Receivables from related parties (Refer note 38)	**175**	1,421
Unsecured, considered good		
Receivables from others		
Unsecured, considered good	**17,966**	20,573
Unsecured, considered doubtful	**415**	407
Less: Allowance for doubtful debts [Refer note 40(A)]	**(415)**	(407)
Total trade receivables	**18,141**	21,994

13. Cash and cash equivalents

Cash on hand	**1**	1
Balances with banks		
On current accounts	**1,882**	3,524
On deposit accounts (with original maturity of 3 months or less)	**9,500**	31,000
Total cash and cash equivalents	**11,383**	34,525

14. Other bank balances

On Unpaid dividend account*	**50**	48
Bank deposits due to mature after 3 months of original maturity but within 12 months of the reporting date	**30,500**	-
Total other bank balances	**30,550**	48

* Not available for use by the Company

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

(Amount in Rupees Lakhs, unless stated otherwise)

15. Loans - Current	As at December 31, 2018	As at December 31, 2017
Unsecured considered good		
Loans to employees	**33**	28
Total Loans - current	**33**	28

16. Other financial assets - Current		
Unsecured considered good		
Interest accrued but not due on fixed deposits	**263**	152
Security deposit	**12**	64
Total other financial assets - current	**275**	216

17. Other current assets		
Advances to employees	**80**	42
Export benefit receivable	**316**	137
Prepaid expenses	**375**	233
Advances for supply of goods and services		
Unsecured, considered good	**187**	302
Unsecured, considered doubtful	**-**	47
Less: Provision for doubtful advances	**-**	(47)
Balances with statutory/government authorities	**360**	278
Other Receivable	**19**	-
Total other financial assets - current	**1,337**	992

18. Equity share capital and other equity

(A) Equity share capital

(a) Authorised, issued and subscribed equity share capital

	As at December 31, 2018	As at December 31, 2017
Authorised:		
25,000,000 (December 31, 2017 : 25,000,000)		
Equity shares of Rs. 10 each	**2,500**	2,500
	2,500	2,500
Issued:		
20,300,000 (December 31,2017 : 20,300,000)		
Equity shares of Rs. 10 each	**2,030**	2,030
	2,030	2,030
Out of the above,		
3,920 (December 31,2017 : 3,920)		
Equity shares of Rs. 10 each are held in abeyance		
Subscribed and fully paid up		
20,296,080 (December 31,2017 : 20,296,080)		
Equity shares of Rs. 10 each	**2,030**	2,030
	2,030	2,030

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

(Amount in Rupees Lakhs, unless stated otherwise)

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

	As at December 31, 2018		As at December 31, 2017	
	No. of shares	**Amount**	No. of shares	Amount
At the beginning of the year	**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

(c) Terms/ rights attached to equity shares

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

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

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

Shareholder	As at December 31, 2018		As at December 31, 2017	
	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%

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

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

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

Shareholder	As at December 31, 2018		As at December 31, 2017	
	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%
HDFC Trustee Company Limited	**18,05,520**	**8.90%**	18,25,820	9.00%
Reliance Capital Trustee Company Limited	**20,18,957**	**9.95%**	18,00,134	8.87%
Total	**1,49,03,604**	**73.44%**	1,45,34,066	71.61%

(B) Other equity

Reserves and surplus	**As at December 31, 2018**	As at December 31, 2017
Capital Reserves [Refer Note (a)]		
At the beginning and at the end of the year	**18**	18
Securities premium account [Refer Note (b)]		
At the beginning and at the end of the year	**1,695**	1,695
General reserve [Refer Note (c)]		
At the beginning and at the end of the year	**6,829**	6,829
Retained earnings [Refer Note (d)]		
At the beginning of the year	**55,519**	47,608
Profit for the year	**9,252**	9,445
Other comprehensive income for the year	**88**	54
Expected Credit Loss- Net		-
Dividend paid including taxes thereon [Refer Note (e)]	**(1,652)**	(1,588)
Transferred to General Reserve	**-**	
At the end of the year	**63,207**	55,519
Total Reserves and Surplus	**71,749**	64,061

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

(Amount in Rupees Lakhs, unless stated otherwise)

Note

(a) Capital reserve

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

(b) Securities premium

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

(c) General reserve

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

(d) Retained earnings

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

(e) Dividends and taxes thereon

During the year 2018 the Company's shareholders have declared dividend of Rs. 6.75 per share (2017 : Rs. 6.50 per share) which resulted in an outflow of Rs. 1652 (2017 : Rs. 1,588) including dividend distribution tax of Rs. 282 (2017: Rs. 269) 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. 7 per share which would result in an outflow of Rs. 1,713 including dividend distribution tax of Rs. 292. Pending approval of the shareholders the same is not recognised in the financial statements.

19. Long-term provisions	**As at December 31, 2018**	As at December 31, 2017
Provision for employee benefits		
Gratuity (Refer Note 43)	**1,060**	1,064
Compensated absences (Refer Note 43)	**187**	184
Total long-term provisions	**1,247**	1,248

20. Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises (Refer Note 35)	**242**	127
(Ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**14,098**	15,180
Total Trade payables	**14,340**	15,307

21. Other financial liabilities - current		
Capital creditors	**318**	250
Unpaid dividend	**50**	48
Liability for other expenses	**1,024**	1,128
Total Other financial liabilities - current	**1,392**	1,426

(Amount in Rupees Lakhs, unless stated otherwise)

22. Other current liabilities	As at December 31, 2018	As at December 31, 2017
Advance from customers	**147**	209
Other payables	**-**	1
Statutory liabilities :		
Goods and services tax payable	**247**	46
Tax deducted at source payable	**112**	146
Provident fund and employee state insurance payable	**46**	45
	405	237
Total Other current liabilities	**552**	447

23. Short-term provisions		
Provision for employee benefits		
Compensated absences (Refer Note 43)	**9**	10
Total short-term provisions	**9**	10

24. Current tax liabilities (net)		
Provision for income tax (net of advance tax of **Rs. 15,817** (December 31,2017 :Rs. 11,300))	**1,222**	872
Total current tax liabilities (net)	**1,222**	872

25. Revenue from Operations	for the year ended December 31, 2018	for the year ended December 31, 2017
Sale of products		
Finished goods (Manufactured goods)	**54,591**	62,833
Stock-in-trade (For trading)	**28,750**	28,681
Sale of products (A)	**83,341**	91,514
Sale of services	**8,524**	3,222
Sale of services (B)	**8,524**	3,222
Other operating revenue		
Export benefit	**573**	162
Scrap sales	**69**	54
Other operating revenue (C)	**642**	216
Break-up of revenue from sale of products		
Finished goods (Manufactured goods)		
Refractories (Shaped)	**33,069**	36,714
Refractories (Unshaped)	**21,522**	26,119
	54,591	62,833
Stock-in-trade (For trading)		
Refractories (Shaped)	**11,004**	15,121
Refractories (Unshaped)	**17,746**	13,560
	28,750	28,681
Sale of products	**83,341**	91,514
Break-up of revenue from services rendered		
Repairs and maintenance services	**8,524**	3,222
Total revenue from operations (A+B+C)	**92,507**	94,952

Note : Post applicability of Goods and Services Tax ('GST') with effect from July 1, 2017, revenue from operations is disclosed net of GST. Accordingly the revenue from operations for year ended December 31,2018 are exclusive of GST whereas the amounts for the year ended December 31, 2017 includes applicable excise duty and hence not comparable.

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

(Amount in Rupees Lakhs, unless stated otherwise)

26. Other Income

	for the year ended December 31, 2018	for the year ended December 31, 2017
Interest income from financial assets carried at amortised cost :		
- Interest income on fixed deposits	**2,096**	1,241
- Interest income on others	**4**	14
Profit on sale of Property, plant and equipment [Net]	**10**	1
Other non-operating income *	**167**	66
Total other income	**2,277**	1,322

* Includes provision for doubtful trade receivable no longer required written back **Rs. 16** (2017 : Rs. 18)

27. Cost of materials consumed

Inventory of raw materials at the beginning of the year	**5,708**	4,878
Purchases	**35,735**	32,024
	41,443	36,902
Less: Inventory of raw materials at the end of the year	**5,282**	5,708
Total cost of materials consumed	**36,161**	31,194

28. Purchase of stock-in-trade

Purchase of stock-in-trade:		
Refractories (Shaped)	**9,198**	9,373
Refractories (Unshaped)	**11,078**	9,138
Total purchase of stock-in-trade	**20,276**	18,511

The above includes **Rs. 9,662** (2017: Rs. 7,289) against certain arrangement which are in the nature of cancellable operating leases in terms of Appendix C to Ind AS 17.

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

	for the year ended December 31, 2018			for the year ended December 31, 2017		
	Opening Inventory	**Closing Inventory**	**(Increase)/ Decrease in inventory**	Opening Inventory	Closing Inventory	(Increase)/ Decrease in inventory
Finished goods (Manufactured goods)						
Refractories (Shaped)	**920**	**2,267**	**(1,347)**	1,519	920	599
Refractories (Unshaped)	**108**	**944**	**(836)**	266	108	158
	1,028	**3,211**	**(2,183)**	1,785	1,028	757
Stock-in-trade (For trading)						
Refractories (Shaped)	**1,326**	**1,912**	**(586)**	1,101	1,326	(225)
Refractories (Unshaped)	**41**	**140**	**(99)**	21	41	(20)
	1,367	**2,052**	**(685)**	1,122	1,367	(245)
Work-in-progress						
Refractories (Shaped)	**600**	**869**	**(269)**	674	600	74
Refractories (Unshaped)	**406**	**175**	**231**	446	406	40
	1,006	**1,044**	**(38)**	1,120	1,006	114
Total changes in inventories of finished goods, work-in progress and stock-in-trade	**3,401**	**6,307**	**(2,906)**	4,027	3,401	626

(Amount in Rupees Lakhs, unless stated otherwise)

30. Employee benefits expense	for the year ended December 31, 2018	for the year ended December 31, 2017
Salaries, wages and bonus	**4,470**	4,272
Contribution to provident and other funds (Refer Note 43)	**671**	679
Compensated absences (Refer Note 43)	**54**	31
Staff welfare expenses	**640**	594
Total employee benefits expense	**5,835**	5,576

31. Depreciation and amortisation expense		
Depreciation on property, plant and equipment [Refer note 3]	**2,716**	2,973
Amortisation of intangible assets [Refer note 5]	**65**	5
Total depreciation and amortisation expense	**2,781**	2,978

32. Other expenses		
Consumption of stores and spares *	**414**	465
Excise duty on changes in stock	**-**	(211)
Power and fuel	**1,927**	1,942
Freight	**3,434**	4,253
Site expenses	**5,108**	4,868
Rent (Refer Note 36)	**358**	314
Repairs to:		
Buildings	**148**	140
Machinery	**1,434**	1,494
Others	**70**	112
Insurance	**160**	168
Rates and taxes	**73**	234
Royalty, Trademark and License fees	**1,381**	1,562
Travelling and conveyance expenses	**1,739**	1,564
Legal and professional fees	**465**	300
Auditor's Remuneration [Refer note below]	**50**	60
Commission	**7**	88
Directors' commission	**37**	24
Advertisement and sales promotion	**16**	26
Bank charges	**76**	63
Communication cost	**145**	153
Printing and stationery	**82**	69
Management fees	**552**	333
Loss on foreign exchange fluctuations	**332**	216
[Net of foreign exchange gain of **Rs. 276**] (2017 : Rs.444)		
Bad debts/provision for doubtful trade receivables/advances [Refer Note 40]	**24**	35
Corporate social responsibility expenditure [Refer Note 46]	**44**	26
Miscellaneous expenses	**324**	331
Total other expenses	**18,400**	18,629

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

(Amount in Rupees Lakhs, unless stated otherwise)

Note: Auditor's Remuneration	**for the year ended December 31, 2018**	for the year ended December 31, 2017
As auditors :		
Statutory audit	20	30
Limited review of quarterly results	9	9
In other capacity:		
Group reporting	9	9
Audit of tax accounts	10	10
Reimbursement of expenses	2	2
	50	60

* Excludes stores and spares consumed and included under the head Repairs - Machinery **Rs. 453** (2017 : Rs. 318) and Site expenses **Rs. 767** (2017: Rs. 662).

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, 2018 is based on the profit attributable to equity shareholders and weighted average number of equity shares outstanding.

	for the year ended December 31, 2018	for the year ended December 31, 2017
Earnings		
Profit after tax	**9,252**	9,445
Net profit attributable to equity shareholders for calculation of basic and diluted EPS	**9,252**	9,445
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)	**45.59**	46.54
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, 2018	As at December 31, 2017	
a.	Sales tax/ Value added tax	**2820**	2515	Demand received from appropriate authorities in relation to Sales tax/ VAT assessment and non submission of statutory forms.
b.	Other Income tax matters	**-**	586	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	**513**	536	Demands received from appropriate authorities in relation to Excise Duty, Custom Duty and Service Tax matters.

(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, 2018**	As at December 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances]	**833**	84

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, 2018**	As at December 31, 2017
(a) The amounts remaining unpaid to micro and small suppliers as at the end of each accounting year		
-Principal	**242**	127
- 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. 358** (2017 : Rs. 314).

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.

Accounting policy:

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

Geographical Information

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

	Revenue from external customers		Non-current assets other than financial instruments, deferred tax and post employment benefit assets	
	For the year ended December 31, 2018	For the year ended December 31, 2017	**As at December 31, 2018**	As at December 31, 2017
India	**83,871**	75,752	**15,216**	15,425
Outside India	**8,636**	19,200		
	92,507	94,952	**15,216**	15,425

Revenue of **Rs. 47,594** (2017 : Rs. 36,873) are derived from three external customers, each of whom contribute to more than 10% of the total revenue.

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

(Amount in Rupees Lakhs, unless stated otherwise)

38. Related Party Disclosures

A) List of Related parties and relationship

i) Enterprises having control over the Company :

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

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

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

Vesuvius Group Limited, United Kingdom, Immediate holding Company

ii) Fellow Subsidiaries (with whom transactions have taken place during the year):
Name of the related parties

Avemis SAS, France

Foseco (Thailand) Limited, Thailand

Foseco India Limited, India

Foseco Industrial E Commercial Ltda, Brazil

Foseco Korea Limited, South Korea

Foseco Philippines Inc, Philippines

Foseco Pty Limited, Australia

Foseco SAS.

Flo-Con Systems Inc.

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 Japan Inc.

Vesuvius UK Limited, Taiwan

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
Wugang Wuhang - Vesuvius Advanced CCR
Yingkou Bayuquan Refractories Co., Ltd , China
Vesuvius Refratários Ltda, Brasil
Process Metrix LLC
Vesuvius Scandinavia AB, Sweden
Vesuvius Refractory India Private Limited
Vesuvius Australia Pty Ltd.
Vesuvius Canada. Inc.
Vesuvius Inc. (Cleveland Foundry)
Vesuvius PLC.
Vesuvius-Foseco S.A.S. Technical Sales Office
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 & Independent Director
Mr. Subrata Roy - Managing Director (till December 31, 2018)
Mr. Ritesh Dungarwal - Managing Director (from January 01, 2019)
Mr. Sudipto Sarkar - Independent Director
Mr. Tanmay Ganguly - Director
Mr. Jan Roel van der Sluis - Director (from November 1, 2018)
Mr. Patrick Andre - Director
Miss Nayantara Palchoudhuri - Independent Director

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

(Amount in Rupees Lakhs, unless stated otherwise)

B. Related party transactions

Name of the entity	For the year ended December 31, 2018				For the year ended December 31, 2017			
	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	-	-	-	-	-	-	-	-
Immediate Holding Company:								
Vesuvius Group Limited, United Kingdom	-	-	761	16	-	-	733	-
Fellow Subsidiaries:								
Avemis SAS, France	-	348	-	4	-	311	-	-
Foseco (Thailand) Limited, Thailand	125	-	-	-	129	-	-	-
Foseco India Limited, India	2	30	-	21	3	11	-	27
Foseco Industrial E Commercial Ltda, Brazil	23	-	-	-	11	-	-	-
Foseco Korea Limited, South Korea	-	-	-	-	1	-	-	-
Foseco Philippines Inc, Philippines	-	-	-	-	3	-	-	-
Foseco Pty Limited, Australia	11	-	-	-	9	-	-	-
Pt. Foseco Indonesia, Indonesia	104	-	-	-	130	-	-	-
Sert Metal SAS, France	-	313	-	-	-	165	-	-
Vesuvius (Thailand) Co. Ltd, Thailand	464	116	-	-	554	-	-	-
Vesuvius Advanced Ceramics (China) Co. Ltd., China	13	538	-	-	290	100	-	-
Vesuvius Belgium N.V. Belgium	-	783	-	-	-	396	-	-
Vesuvius Corporation S.A. (Taiwan Branch), Switzerland	-	-	-	-	18	-	-	-
Vesuvius Crucible Company,USA	682	-	-	925	-	110	-	1,110
Vesuvius Emirates FZE, United Arab Emirates	88	-	-	-	65	-	-	-
Vesuvius Foundry Products (Suzhou) Co. Ltd., China	1	4	-	-	7	11	-	-
Vesuvius France S.A., France	-	79	-	-	-	56	-	-
Vesuvius GmbH, Germany	912	7	-	-	3,465	6	-	-
Vesuvius Group S.A., Belgium	-	371	-	857	-	1,515	-	930
Vesuvius Ibérica Refractarios S.A., Spain	-	-	-	-	47	2	-	-
Vesuvius Istanbul Sanayi ve Ticaret AS, Turkey	153	51	-	-	122	12	-	-
Vesuvius Italia S.P.A., Italy	72	-	-	-	673	3	-	-
Vesuvius Malaysia SDN. BHD, Malaysia	2,837	136	-	-	1,836	60	-	-
Vesuvius Mexico S.A. de C.V., Mexico	-	445	-	-	-	367	-	-
Vesuvius Poland Spólka z.o.o, Poland	-	1,521	-	-	47	1,054	-	-
Vesuvius Ras Al Khaimah FZ-LLC, United Arab Emirates	93	4	-	-	164	16	-	-
Vesuvius Slavia A.S., Czech Republic	1	-	-	-	64	3	-	-
Vesuvius South Africa (Pty) Limited, South Africa	206	9	-	-	442	9	-	-
Vesuvius UK Limited, United Kingdom	1,572	825	-	-	1,018	778	-	-
Vesuvius USA Corporation, USA	-	2,524	-	-	985	1,540	-	(108)
Vesuvius UK Ltd- Taiwan	19	-	-	-	-	-	-	-
Vesuvius Japan Inc.	5	-	-	-	-	-	-	-
Wugang Vesuvius Advanced Ceramics (Wuhan) Co., Ltd, China	-	3,596	-	-	-	3,553	-	-
Yingkou Bayuquan Refractories Co., Ltd , China	-	1,960	-	-	-	908	-	-
Vesuvius Refratários Ltda, Brasil	22	-	-	-	-	-	-	-
Process Metrix LLC	-	488	-	-	-	194	-	-
Vesuvius Australia Pty Ltd.	-	20	-	-	-	-	-	-
Vesuvius Canada. Inc.	-	60	-	-	-	-	-	-
Vesuvius Inc. (Cleveland Foundry)	-	8	-	-	-	-	-	-
Vesuvius PLC.	-	-	-	(113)	-	-	-	(1)
Vesuvius-Foseco S.A.S. Technical Sales Office	4	-	-	-	-	-	-	-
Vesuvius Scandinavia AB, Sweden	-	-	-	-	33	-	-	-
Vesuvius Refractory India Private Limited	-	-	-	65	-	-	-	(16)
Total	**7,409**	**14,236**	**761**	**1,775**	**10,116**	**11,180**	**733**	**1,942**

(Amount in Rupees Lakhs, unless stated otherwise)

Remuneration to Key Management Personnel	for the year ended December 31, 2018	for the year ended December 31, 2017
Short-term employee benefits *	**197**	177
Post-employment benefits	**14**	14
Other long-term employee benefits	**2**	2
	213	193

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

B. Balances outstanding

Name of the entity	As at December 31, 2018		As at December 31, 2017	
	Receivable	(Payable)	Receivable	(Payable)
Holding Company:				
Vesuvius Holdings Limited, United Kingdom	-	10	-	-
Immediate Holding Company:				
Vesuvius Group Limited, United Kingdom	-	-	-	-
Fellow Subsidiaries:				
Avemis SAS, France	-	68	-	(110)
Foseco (Thailand) Limited, Thailand	11	-	22	-
Foseco India Limited, India	-	-	-	(3)
Foseco Pty Limited, Australia	-	-	3	-
Pt. Foseco Indonesia, Indonesia	-	-	38	-
Sert Metal SAS, France	-	3	-	(9)
Vesuvius (Thailand) Co. Ltd, Thailand	19	2	170	-
Vesuvius Advanced Ceramics (China) Co. Ltd., China	-	15	20	(35)
Vesuvius Belgium N.V. Belgium	-	31	-	(128)
Vesuvius Corporation S.A. (Taiwan Branch), Switzerland	-	-	8	-
Vesuvius Crucible Company,USA	3	202	9	(248)
Vesuvius Emirates FZE, United Arab Emirates	16	-	48	-
Vesuvius Foundry Products (Suzhou) Co. Ltd., China	-	10	-	-
Vesuvius France S.A., France *	-	-	-	(19)
Vesuvius GmbH, Germany *	-	-	334	(3)
Vesuvius Group S.A., Belgium	2	223	-	(957)
Vesuvius Ibérica Refractarios S.A., Spain	-	-	-	(1)
Vesuvius Italia S.P.A., Italy	-	-	73	-
Vesuvius Malaysia SDN. BHD, Malaysia	8	12	157	(6)
Vesuvius Mexico S.A. de C.V., Mexico	-	138	-	(121)
Vesuvius Poland Spólka z.o.o, Poland	-	16	-	(156)
Vesuvius Ras Al Khaimah FZ-LLC , United Arab Emirates	-	-	31	-
Vesuvius Slavia A.S., Czech Republic	1	-	-	-
Vesuvius South Africa (Pty) Limited, South Africa	4	-	178	(5)
Vesuvius UK Limited, United Kingdom	-	11	265	(123)
Vesuvius USA Corporation, USA	-	150	62	(416)
Wugang Vesuvius Advanced Ceramics (Wuhan) Co., Ltd, China	-	-	-	(504)
Yingkou Bayuquan Refractories Co., Ltd , China	-	-	-	(37)
Process Metrix LLC	-	-	-	(191)
Vesuvius Australia Pty Ltd.	-	10	-	-
Vesuvius PLC.	111	-	-	-
Vesuvius Refractory India Private Limited	-	14	3	-
Total	**175**	**915**	**1,421**	**(3,072)**

* Below rounding off amount

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

(Amount in Rupees Lakhs, unless stated otherwise)

39. Fair value measurements

Financial instruments by category

Particulars	As at December 31, 2018	As at December 31, 2017
	Amortised cost	Amortised cost
Financial assets		
Loans - Non Current	**93**	97
Other financial assets - Non Current	**230**	185
Trade receivables	**18,141**	21,994
Cash and cash equivalents	**11,383**	34,525
Bank balances other than above	**30,550**	48
Loans - Current	**33**	28
Other financial assets - Current	**275**	216
Total financial assets	**60,705**	57,093
Financial liabilities		
Trade payables	**14,340**	15,307
Other financial liabilities	**1,392**	1,426
Total financial liabilities	**15,732**	16,733

(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, 2018		
Financial assets		
Loans		
Loans to employees	93	93
Security deposits	230	230
Total financial assets	**323**	**323**
As at December 31, 2017		
Financial assets		
Loans		
Loans to employees	97	97
Security deposits	185	185
Total financial assets	**282**	**282**

Note

Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.
Categorisation of fair value into level 1, 2 and 3.

Level 1 [Quoted prices in an active market]:

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

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

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

(Amount in Rupees Lakhs, unless stated otherwise)

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

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

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

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

	As at December 31, 2018		As at December 31, 2017	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Loans to employees	**93**	**93**	97	97
Security deposits	**230**	**230**	185	185
Total financial assets	**323**	**323**	282	282

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

Significant estimates

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

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.

Credit risk management

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

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

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk other than for cash and cash equivalents and other bank balances was Rs. 18,772 as at December 31, 2018 (December 31,2017 : Rs. 22,520), being the total of the carrying amount of financial assets.

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

(Amount in Rupees Lakhs, unless stated otherwise)

Impairment losses on financial assets

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

Particulars	**December 31, 2018**	December 31, 2017
Balance at the beginning of the year	**407**	475
Additions during the year	**24**	35
Adjustments against Bad debts written off during the year	**-**	(85)
Reversals during the year	**(16)**	(18)
Balance at the end of the year	**415**	407

(B) Liquidity risk

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

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

(C) Market risk

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

(i) Foreign currency risk

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

Exposure to foreign currency risk

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

Particulars	Foreign currency in Lakhs	Rupee equivalent in Lakhs
As at December 31, 2018		
Trade receivables		
USD	11	713
EURO	5	385
GBP	1	110
Trade payables		
USD	40	2,798
EURO	5	422
GBP	0	26
AUD	0	11

(Amount in Rupees Lakhs, unless stated otherwise)

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

A 10% appreciation/depreciation of the foreign currencies with respect to functional currency of the Company would result in an increase/decrease in the Company's net profit before tax by approximately Rs. 205 (2017 : Rs. 312).

(ii) Interest rate risk

The Company does 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 instruments 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, 2018**	December 31, 2017
(a) Income tax expense		
Current tax		
Current tax on profits for the year	**5,250**	5,492
Total current tax expense	**5,250**	5,492
Deferred tax		
Decrease (increase) in deferred tax assets	**(21)**	(129)
(Decrease) increase in deferred tax liabilities	**(197)**	(288)
Total current tax expense	**(218)**	(417)
Income tax expense	**5,032**	5,075

Particulars	**December 31, 2018**	December 31, 2017
Current tax expense recognised in profit or loss		
Current tax on profits for the year	**5,250**	5,492
Total current tax expense (A)	**5,250**	5,492
Deferred tax expense recognised in profit or loss		
Deferred taxes	**(265)**	(446)
Total deferred tax expense recognised in profit or loss (B)	**(265)**	(446)
Deferred tax expense recognised in Other comprehensive income		
Deferred taxes	**47**	29
Total deferred tax expense recognised in Other comprehensive income (C)	**47**	29
Total deferred tax for the year (B+C)	**(218)**	(417)
Total income tax expense recognised in profit or loss (A+B)	**4,985**	5,046
Total income tax expense recognised in Other comprehensive income (C)	**47**	29
Total income tax expense (A+B+C)	**5,032**	5,075

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

(Amount in Rupees Lakhs, unless stated otherwise)

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

Particulars	**December 31, 2018**	December 31, 2017
Profit before tax	**14,237**	14,491
Tax at the Indian tax rate of 34.944% (2017 : 34.608%)	**4,975**	5,015
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Corporate social responsibility expenditure	**8**	5
Others	**2**	26
Income tax expense	**4,985**	5,046

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. 449 (2017 : Rs. 431).

ii) Defined benefit plans

Gratuity

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

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

Particulars	**Present value of obligation**	**Fair value of plan assets**	**Net amount**
January 1, 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**

(Amount in Rupees Lakhs, unless stated otherwise)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
January 1, 2018	**2,014**	**950**	**1,064**
Current service cost	149	-	149
Interest expense/(income)	144	71	73
Total amount recognised in profit or loss	**293**	**71**	**222**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	1	(1)
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(60)	-	(60)
Actuarial (gain)/loss from unexpected experience	(74)	-	(74)
Total amount recognised in other comprehensive income	**(134)**	**1**	**(135)**
Employer contributions/ premium paid	-	91	(91)
Benefit payments	(203)	(203)	-
December 31, 2018	**1,970**	**910**	**1,060**

Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	**December 31, 2018**	December 31, 2017
Discount rate	**7.60%**	7.30%
Salary growth rate	**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%
Mortality rate	**Indian Assured Lives Mortality (2006-08) (Ult)**	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.

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, 2018		December 31, 2017	
	Increase	**Decrease**	Increase	Decrease
Discount rate (-/+ 0.5%) % change compared to base due to sensitivity	**(94)**	**101**	(100)	107
Salary growth rate (-/+ 0.5%) % change compared to base due to sensitivity	**100**	**(94)**	106	(99)

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

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

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

(Amount in Rupees Lakhs, unless stated otherwise)

The major categories of plan assets

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

Risk exposure

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

Investment risk:

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

Interest risk:

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

Life expectancy:

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

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending December 31, 2018 :
The weighted average duration of the defined benefit obligation (gratuity) is 10 years for December 31, 2018. The expected maturity analysis of undiscounted gratuity is as follows:

	December 31, 2018	December 31, 2017
Year 1	**55**	98
Year 2	**112**	66
Year 3	**181**	117
Year 4	**163**	187
Year 5	**124**	169
Year 6 to 10	**1206**	1119

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. Provisions for taxation has been recognised with reference to profit for the year ended December 31, 2018, in accordance with the provisions of Income-tax Act, 1961 and rules framed thereunder. The ultimate tax liability for the year 2018-19 will be determined on the basis of total taxable income for the year ending March 31, 2019.

45. 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.

(Amount in Rupees Lakhs, unless stated otherwise)

46. Corporate social responsibility expenditure

Particulars	**December 31, 2018**	December 31, 2017
Amount required to be spent as per Section 135 of the Act	**262**	224
Amount spent during the year on		
(i) Construction/acquisition of an asset	**-**	-
(ii) On purposes other than (i) above*	**44**	26
Total	**44**	26

*there is no amount remaining unpaid at the year end

47 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 27, 2019

Ritesh Dungarwal
Managing Director
DIN: 08136275

Biswadip Gupta
Chairman
DIN : 00048258

Vikram Singh
Company Secretary

Sanjoy Dutta
Chief Financial Officer

Place: Kolkata
Date: February 27, 2019

Five Years at a Glance

(Amount in Rupees Lakhs, unless stated otherwise)

	For the years ended on				
	31.12.2018	**31.12.2017**	31.12.2016	31.12.2015	31.12.2014
STATEMENT OF PROFIT & LOSS					
Sales	**92,507**	**94,952**	89,498	69,972	65,223
Other Income	**2,277**	**1,322**	1,299	1,021	910
Total Revenue	**94,784**	**96,274**	90,797	70,993	66,133
Expenditure	**77,766**	**78,805**	74,448	57,434	55,228
PBIDT	**17,018**	**17,469**	16,349	13,559	10,905
Depreciation & Amortisation	**2,781**	**2,978**	2,745	2,322	1,912
Finance Cost	**0**	**0**	0	0	0
PBT	**14,237**	**14,491**	13,604	11,237	8,993
PAT	**9,252**	**9,445**	8,888	7,359	5,917
BALANCE SHEET					
Assets Employed					
Fixed Assets	**14,682**	**15,118**	14,025	14,505	15,183
Working Capital:					
Current Assets	**74,029**	**67,277**	57,737	48,535	41,317
Less : Current Liabilities	**17,515**	**18,062**	14,965	13,805	12,389
Working Capital Employed	**56,514**	**49,215**	42,772	34,730	28,928
Non-Current Assets	**3,830**	**3,006**	2,567	1,364	1,313
Total Assets Employed	**75,026**	**67,339**	59,364	50,599	45,424
Financed By :					
Shareholders' Funds					
Share Capital	**2,030**	**2,030**	2,030	2,030	2,030
Reserves & Surplus	**71,749**	**64,061**	56,150	47,668	41,903
Total of Shareholders' Funds	**73,779**	**66,091**	58,180	49,698	43,933
Non-Current Liabilities	**1,247**	**1,248**	1,184	901	1,491
Total Funds Employed	**75,026**	**67,339**	59,364	50,599	45,424
OTHER INFORMATION					
Dividend (Rs Lakhs)	**1,421**	**1,370**	1,319	1,268	1,421
Rate of Dividend (Rs per Share)	**7.00**	**6.75%**	6.50%	6.25%	7.00%
Number of Shareholders (nos)	**12,798**	**12,935**	12,125	11,907	11,647
Number of Employees (nos)	**439**	**450**	437	435	438
Earnings per share (EPS) (Rs)	**45.59**	**46.54**	43.79	36.26	29.15