Vesuvius India Limited

MINUTES OF THE 23RD ANNUAL GENERAL MEETING OF VESUVIUS INDIA LIMITED HELD AT G D BIRLA SABHAGHAR, 29 ASHUTOSH CHOWDHURY AVENUE, KOLKATA 700 019 ON TUESDAY, APRIL 29, 2014 AT 10.30 A.M.

PRESENT

MR	BISWADIP GUPTA	In the Chair
MR	FRANCOIS CLEMENT WANECQ	Director
MR	TANMAY KUMAR GANGULY	Managing Director
MR	YVES M.C.M.G. NOKERMAN	Director
MR	TAPOSH ROY	Company Secretary
MR	VIKRAM ADVANI	B S R & Co. LLP, Auditors

MEMBERS/PROXIES

MEMBERS : **486** Members were present in person representing **11,418,619** shares
PROXY : **36** Members were present through proxy representing **4,694,412** shares
Vesuvius Group Limited, UK represented by Mr Francois Clement Wanecq

MINUTES

1. CHAIRMAN

Mr Biswadip Gupta took the Chair pursuant to Article 69 of the Company's Articles of Association and welcomed the Members present.

2. QUORUM

The Chairman thereafter declared that the quorum was present and called the Meeting to order. He announced that 41 proxies for 4,694,516 shares had been received.

3. NOTICE, ACCOUNTS AND DIRECTORS' REPORT

On the proposal of the Chairman and with the consent of the Members present, the Notice dated February 25, 2014 convening the Annual General Meeting, the Audited Accounts for the year ended on December 31, 2013 and the Report of the Directors thereon were taken as read.

4. REGISTER OF DIRECTORS' SHARE HOLDINGS & PROXIES

The Register of Directors' shareholdings was placed on the table and the Chairman declared that the Register would remain open and accessible to the Members throughout the meeting pursuant to Section 170 of the Companies Act, 2013 (previously, sub-section 7 of Section 307 of the Companies Act, 1956). The Chairman declared that proxies received were also available for inspection by the Members throughout the Meeting pursuant to Clause 7.8.2 of the Secretarial Standards-2 issued by the Institute of Company Secretaries of India.

5. CHAIRMAN'S SPEECH

The Chairman introduced the Directors present at the meeting. He informed the Members that Dr S K Gupta, the former Chairman of the Company and Mr Shekhar Datta, Director, had resigned from the Company due to their advancing age and Dr Claude Dumazeau who had retired from the Vesuvius Group had stepped down from all directorships he held in the Group companies including Vesuvius India Limited. The Chairman then informed the Members of the immense contributions rendered by Dr S K Gupta over the past 14 years of his association with the Company of which 11 years as Chairman, by Mr Shekhar Datta over the past 10 years of his association and also by Dr Claude Dumazeau who was a Director of the Company since 1994. The Members present acknowledged their gratitude and thanks to each one of Dr S K Gupta, Mr Shekhar Datta and Dr Claude Dumazeau by acclamation.

The Chairman then mentioned that the year 2013 had been a difficult year for the Indian economy caused by low GDP growth, higher inflation, adverse foreign exchange and increase in raw materials and fuel costs. The limitations enforced on land acquisition by industries and also the effect of legal and governmental restrictions in mining and distribution of iron ore, coal and other such important basic inputs had immensely affected the production and expansion plans of steel industry in particular and allied industries in general. Steel plants, which comprise the major customers of the Company, had reduced production and shelved their expansion projects which had their consequent effect on the operations of the Company. Other industries in which the Company operated similarly faced a downturn.

Despite these odds, the Company had crossed the Rs 600 crore turnover mark and remained "Debt Free". Total revenue had increased by 7% over the previous year, Profit Before Tax increased by 20% and Profit after Tax increased by 17% over the previous year. The Chairman stated that use of energy efficient equipments and improved energy management resulted in improved specific energy consumption and that the Company had retained its leadership in the Indian Refractory Industry.

The Chairman then informed the Members that the first factory of the Company at Kolkata will complete 20 years of operation on July 1, 2014 and to celebrate this occasion, a 10% (i.e Re 1/- per share) 20th Anniversary Special Dividend had been paid on March 12, 2014. The Record Date for this dividend was March 8, 2014. He stated that this dividend was an interim dividend for the year ended on December 31, 2014. He thanked each and every Member present for having supported the Board and the Management of the Company in all their activities and achievements over the past 20 years.

The Chairman then mentioned that the Board had recommended dividend of Rs 4.75 (i.e. 47.50%) per equity share of face value Rs 10/- each for the year ended on December 31, 2013. Dividend will be paid electronically on May 8, 2014 and for those who have not yet updated their bank accounts, dividend warrants will be issued on or after May 8, 2014. He requested all Shareholders to update their bank account details so that dividend payments could be made electronically directly to their bank accounts as per the direction given by SEBI.

The Chairman requested all Members who still held shares in physical mode to dematerialize their shares and take advantage of the facilities offered to demat shareholders.

The Chairman then requested Mr Francois Wanecq, Director of the Company and Chief Executive of Vesuvius plc, to speak to the Members.

Mr Francois Wanecq stated that the year 2013 was disappointing with sluggish economy throughout the world. Global Steel production increased by 6% mostly in China, while in USA and Europe production was in decline. Indian operations were progressive however delays in new projects and expansions by steel plants was disappointing. He said that the huge potential in India will be unlocked once the political situation improves leading to increased production capacities. Inspite of the stagnation of new steel production, Indian Operations had done well and he congratulated the Management team for its efforts and efficiency.

Mr Wanecq expected that in future steel production in the West would decline and China would have to enter into a major restructuring of its steel industry from long products to flat products to cater more to consumer products.

Vesuvius plc now has more independence, after having converted into a public limited company, but also has increased responsibilities. For the Group, Quality and Technology were essential as quality drove prices and value from customers. Technology upgradation were being constantly made throughout the Group with focus on quality control and consistency. He confirmed that Vesuvius plc will continue to provide upgraded technology and constant quality support to the Indian operations.

The Members present applauded the speech of Mr Wanecq with acclamation. The Chairman thanked him for his support to the Company.

6. AUDITORS' REPORT

At the request of the Chairman, Mr Vikram Advani, Partner of B S R & Co. LLP, Auditors of the Company, read the Auditors' Report on the Accounts for the year ended on December 31, 2013.

7. ACCOUNTS AND DIRECTORS' REPORT

The Chairman then read the following resolution :

"**RESOLVED** that the Statement of Profit and Loss for the year ended on December 31, 2013, the Balance Sheet as on that date and annexures thereto, the Cash Flow Statement for the year ended on December 31, 2013, the Reports of Auditors and Directors thereon be and are hereby received and adopted."

Mr Arup Das proposed and Mr J N Kundu seconded the resolution. The resolution having been proposed and seconded the Chairman invited questions from the Members present on the Directors' Report and Accounts for the year ended on December 31, 2013.

Messrs Arup Das, B N Kundu, S Gattani, Goutam Nandy, Tamal Kumar Mukherjee, K L Mallik, Tarak Nath Chakraborty, Manoj Gupta, S L Rathi, S N Pal, Himangshu Upadhyay, N C Majumder, Amitava Deb, S S Bhattacharya, A S Roy, Tapas Kumar Dutta, Amit Kumar Banerjee, Krishnendu Das, A K Pal and Sujit Pal in that order, asked questions, sought clarifications and made observations and gave suggestions on various aspects of the Company's operations and matters related to the Reports and Accounts. The relevant and material points were as follows :

1. Congratulated Mr Biswadip Gupta and welcomed him as Chairman of the Company;
2. Thanked for the higher dividend and also the 20th Anniversary Special Dividend;
3. Asked whether Board of Directors were contemplating bonus issue or NCD issue;
4. Wanted a factory visit to be organized and a memento to be distributed on the occasion of the 20th Anniversary of commencement of production at Kolkata factory;

5. Whether a woman director was being appointed for the Company;
6. Profile of Directors to be given in the Annual Accounts;
7. Why other directors are not holding shares of the Company;
8. Non resident Directors are not attending regularly even when video conferencing facility is available;
9. Where Annual accounts is sent by email, to send the attendance slip by post as many shareholders do not have a printer to print the attendance slips from the computer;
10. Explain the reason for following expenses which had increased during the year – power & fuel, foreign exchange losses, advertisement and sales promotion, legal fees, loss on sale of assets etc.
11. Following Balance Sheet items had also increased –Inventories and Debtors;
12. Trading activities appear to have increased over manufacturing activities;
13. Imports have increased over last year. What strategy is being taken to decrease imports;
14. What new technology was being received by the Company;
15. Disputed taxes and counter claims –what action is Company taking in these regards;
16. CSR activities should be encouraged and increased and to consider spending on cancer patients, diabetes patients, deaf & dumb children, drought and flood relief etc ;
17. Appreciated that the Registrars and Secretarial Department have maintained cordial relations with shareholders and have given excellent service and also that they received their Annual Reports in time.

After the Members had spoken, the Chairman thanked the Members for welcoming him as the Chairman of the Company and also for taking such active interest in the affairs of the Company and answered some of the questions raised by the Members and provided the clarifications as required. He stated that the Management at present did not have any plans for bonus issue or NCD issue and that the request for a factory visit would be considered keeping in mind the compliances of regulatory authorities. He confirmed that the Board will consider appointing a woman director. He reminded the Members present that inspite of economic slowdown and the judicial activism which reduced availability of raw materials, the Company had done exceedingly well. He stated that new technology was always available from the Group and that is why Vesuvius India had the cutting edge on deliverables. Because of constant upgradation in Quality and new technology Vesuvius India could change the dynamics of sales in India as the Company was moving into services and value addition from sale of pieces. On CSR he said that the Company was already spending on CSR activities and now with the new regulation a Committee will be formed and a standing operating procedure will be prepared, However he explained that such CSR activities will be around the localities in which the Company operates.

At the Chairman's request, Mr Tanmay Ganguly, Managing Director, explained the business scenario which leads to fluctuation in inventory and debtor levels, the business environment in relation to competition and that the focus was on providing more technology and value to customers with consistent and improved quality products and services.

The Chairman thereafter put the resolution to the meeting and on a voting by show of hands declared the same carried by requisite majority.

8. DIVIDEND

The Chairman then read the following resolution :

"**RESOLVED** that pursuant to the recommendation of the Directors, dividend at the rate of Rs 4.75 per share, out of the current profits of the Company for the year ended on December 31, 2013 on 20,296,080 (Twenty million two hundred and ninety six thousand and eighty) Equity Shares of the Company, be and is hereby declared and that the same be paid to those shareholders whose names appear on the Company's Register of Members as on April 29, 2014, and that the dividend warrants be posted within 15 days hereof only to those shareholders who are entitled to receive payment."

The Chairman then invited the Members present to propose and second the resolution. Mr B N Kundu proposed the resolution and Mr Manoj Gupta seconded. On a voting by show of hands the Chairman declared the resolution carried by requisite majority.

9. DIRECTOR – MR SUDIPTO SARKAR

The Chairman stated that the next item on the agenda related to the re-appointment of Mr Sudipto Sarkar as an Independent Director and his appointment had to be made for a five year term in compliance with section 149 of the Companies Act, 2013. He then read the following resolution :

"**RESOLVED** that Mr Sudipto Sarkar who retires from the Board of Directors under Article 101 of the Company's Articles of Association be and is hereby reappointed a Director of the Company on April 29, 2014 to hold office as an Independent Director, pursuant to the provisions of section 149(10) and other applicable provisions of the Companies Act, 2013, for a term of upto five consecutive years."

Mr K L Mallik proposed the resolution and Mr S N Pal seconded. On a voting by show of hands the resolution was declared carried by requisite majority.

10. AUDITORS

The Chairman mentioned that the last item on the Agenda related to the re-appointment of M/s B S R & Co. LLP, Auditors of the Company and proposed that the words "pursuant to section 224 of the Companies Act, 1956" appearing in the resolution in the Notice dated February 25, 2014 be deleted. Accordingly he proposed the following modification to the proposed resolution:

"**RESOLVED** that the words 'pursuant to section 224 of the Companies Act, 1956' appearing in the resolution given in Item No 4 of the Notice to Members dated February 25, 2014 convening the Annual General Meeting be deleted".

Mr S N Pal proposed the resolution and Mr Krishnendu Das seconded. On a voting by show of hands the resolution was declared carried by requisite majority.

The Chairman then proposed the following modified resolution for appointment of M/s B S & Co. LLP, Auditors of the Company as an Ordinary Resolution :

"**RESOLVED** that Messrs B S R & Co. LLP, Chartered Accountants, of Building No 10, 8th floor, Tower-B, DLF Cyber City, Phase-II, Gurgaon 122 002, Haryana (Firm's Registration no 101248W) be and are hereby appointed Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration and on terms plus out-of-pocket expenses as may be determined by the Board of Directors of the Company."

The Chairman then invited the Members present to propose and second the resolution. Mr Manoj Gupta proposed and Mr Tarak Chakraborty seconded the resolution. On a voting by show of hands the resolution was declared carried by requisite majority.

11. CLOSURE OF THE MEETING

Since the business of the Meeting was over, the Chairman declared the Meeting closed.

12. VOTE OF THANKS

Members gave a vote of thanks to the Chair which was carried with acclamation.

Date : May 19, 2014

CHAIRMAN