Vesuvius India Limited

MINUTES OF THE 22ND ANNUAL GENERAL MEETING HELD AT G D BIRLA SABHAGHAR, 29 ASHUTOSH CHOWDHURY AVENUE, KOLKATA 700 019 ON THURSDAY, APRIL 25, 2013 AT 10.30 A.M.

PRESENT

DR	SAIBAL KANTI GUPTA	In the Chair
MR	FRANCOIS CLEMENT WANECQ	Director
MR	SHEKHAR DATTA	Director
DR	CLAUDE DUMAZEAU	Director
MR	TANMAY KUMAR GANGULY	Managing Director
MR	BISWADIP GUPTA	Director
MR	YVES M.C.M.G. NOKERMAN	Director
MR	SUDIPTO SARKAR	Director
MR	TAPOSH ROY	Company Secretary
MR	VIKRAM ADVANI	B S R & Co., Auditors

MEMBERS/PROXIES

MEMBERS : **362** Members were present in person representing **11,998,498** shares
PROXY : **15** Members were present through proxy representing **2,015,353** shares
Vesuvius Group Limited, UK represented by Mr Francois Clement Wanecq

MINUTES

1. CHAIRMAN

Dr Saibal Kanti 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 15 proxies for 2,015,353 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 26, 2013 convening the Annual General Meeting, the Audited Accounts for the year ended on December 31, 2012 and the Report of the Directors thereon were taken as read.

4. REGISTER OF DIRECTORS' SHARE HOLDINGS & PROXIES

The Register of Directors' shareholdings maintained under Section 307 of the Companies Act, 1956, 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 307(7) 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 the Vesuvius Group which was earlier the Ceramic Division of Cookson Group plc had with effect from December 19, 2012 become a separate public listed company with its shares listed on the London Stock Exchange. Vesuvius plc was now guided by a Board of Directors with its registered office at London and has become the ultimate holding company of Vesuvius India Limited. He congratulated Mr Francois Wanecq for having successfully implemented the demerger and for becoming the Chief Executive of Vesuvius plc. The Members present also congratulated Mr Wanecq with acclamation.

The Chairman informed the Members that Vesuvius Group Limited, UK the holding company of Vesuvius India Limited had on April 5, 2013 dematerialised their entire shareholding and as a result shares representing only 2.34% of the paid-up capital of the Company were now held by 3376 shareholders in physical mode. He requested the shareholders who still held shares in physical mode to dematerialize the shares and take advantage of the facilities offered to demat shareholders.

He then informed the Members of SEBI's circular dated March 21, 2013 which mandated that all payments including dividend to Shareholders were to be made by electronic mode only and therefore requested all shareholders to update their bank details so that dividend could be paid directly to their bank accounts through NECS. He then announced that the Kolkata Plant expansion had been completed and about 15 acres of freehold land at Visakhapatnam had been acquired and possession received for the proposed fifth plant of the Company and for an International Standard Research & Development Centre.

The Chairman then mentioned that the year 2012 was a difficult year for the Indian economy as a whole and more particularly for the steel industry which comprises the major customers of the Company. Poor availability and high prices of iron ore, coal and raw materials had resulted in reduced steel production and delays in major expansion projects of steel plants which had their consequent effect on the Company. Other industries in which the Company operated similarly faced a downturn. The Chairman highlighted to the Members present that despite these odds, the Company had crossed the Rs 550 crores turnover mark and remained "Debt Free". He was pleased to state 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 and continued its aggressive growth path.

The Chairman mentioned that the Board had recommended dividend of Rs 4.50 (i.e. 45%) per equity share of face value Rs 10/- each.

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 mentioned that Vesuvius was now a public limited company with its shares listed on London Stock Exchange with a focused Board of Directors. The demerger of the other two divisions now allowed Vesuvius plc to concentrate on metal casting industry which was their main business.

Mr Wanecq then informed the Members present that the year 2012 was a tough year for Vesuvius worldwide due to the downturn in European markets and also lower growth in the Chinese economy. He mentioned that industries which were optimistic in the early part of the

year 2012 changed their strategies towards the later part of year 2012 as the economic down turn continued. Customers were managing by reducing inventory, enforcing price reductions and were facing reduced production which in turn affected Vesuvius business. The Chinese rapid growth and industrialization had come to an end and their economy would be more consumer oriented now which would further affect the larger industries in the western economy. But these would have lesser impact on Vesuvius since Vesuviuys is a global player and not limited to a few economies and as a result Vesuvius continues to take advantages of growth in emerging economies where Vesuvius involvement has increased progressively.

Mr Wanecq said that Vesuvius India is still benefiting from a period of growth and opportunities as the steel industry in India is doing well and there was huge potential not only in the steel industry but other industries like aluminium, cement, chemicals etc. Although international competition were now entering India, which was a normal evolution of business, there was no concern or threat as Vesuvius maintained its lead and continued to provide latest technologies, remain a partner to customers needs and was the local provider of a global company. He stated that Vesuvius plc would support Vesuvius India to grow in capacity and technology and for this purpose land had been acquired for the new plant at Visakhapatnam and proposed Research & Development Centre at Visakhapatnam. He stated that he was very pleased with Vesuvius India's performance.

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

6. AUDITORS' REPORT

At the request of the Chairman, Mr Vikram Advani, Partner of B S R & Co., Auditors of the Company, read the Auditors' Report on the Accounts for the year ended on December 31, 2012.

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, 2012, the Balance Sheet as on that date and annexures thereto, the Cash Flow Statement for the year ended December 31, 2012, the Reports of Auditors and Directors thereon be and are hereby received and adopted."

Mr J N Kundu proposed and Mr Arup Das 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, 2012.

Messrs B N Kundu, S Gattani, Arup Das, Tamal Kumar Mukherjee, Tarak Nath Chakraborty, S N Pal, K L Mallik, Tapas Kumar Dutta, N C Majumder, Himangshu Upadhyay, S L Rathi, A K Roy, Amit Kumar Banerjee, S Roy, S S Bhattacharya, Ravi Purohit, S K Sukhani 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 the Board and Management for good financial results and for remaining a "debt-free" company and for crossing Rs 550 crores turnover;
2. Thanked for giving higher dividend;
3. Asked whether Board of Directors were contemplating bonus issue or a rights issue;
4. Wanted a factory visit to be organized;

5. Explain the reason for following expenses which had increased during the year – power & fuel, foreign exchange losses, provision for doubtful debts etc.
6. Following Balance Sheet items had also increased – CWIP, Inventories and Debtors;
7. Why 3920 shares still remained in abeyance
8. Trading activities appear to have larger margins than manufacturing activities;
9. Imports have increased over last year. What strategy is being taken to decrease imported goods;
10. Export performance is poor compared to last year. What is being done to increase exports;
11. Whether there was a strategy to exit low margin businesses
12. Two sites are certified under ISO, what is being done at other sites;
13. Why Company's share prices are not matching the BSE /NSE Sensex
14. More details on the proposed Research & Development Centre at Visakhapatnam and what will be the focus of the R&D unit;
15. CSR activities should be encouraged and increased and
16. 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 accounts in time.

After the Members had spoken, the Chairman thanked the Members 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 rights issue and that there were no immediate plans for a factory visit. He also stated there would be an improvement in the availability of iron ore which will positively impact the steel industry and correspondingly affect our Company's financials.

At the Chairman's request, Mr Francois Wanecq explained the international scenario, his understanding of the Indian market and re-affirmed his commitment to Vesuvius India's growth.

The Chairman then requested the Managing Director to give his response to the other questions raised by the Members. Mr Tanmay Ganguly, Managing Director, gave his response to the other questions raised and more particularly explained that although sales increased by 4%, profits were flat and despite the poor environment the Company got price increases from customers; that competition was more active but the Company differentiated itself from competition through its technology and more efficient services; that trading activities should be looked at in totality and that costs like freight etc are not reflected in the trading costs and that the proposed R&D Centre would be for new product development.

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 4.50 per share, out of the current profits of the Company for the year ended on December 31, 2012 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 25, 2013, 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 R S Sharma seconded. On a voting by show of hands the Chairman declared the resolution carried by requisite majority.

9. DIRECTOR – DR S K GUPTA

Since the next item on the agenda related to his own re-appointment as Director, the Chairman requested Mr Francois Wanecq, to take the Chair for the purpose of this resolution. Mr Wanecq, who Chaired the next item of the proceedings, read the following resolution :

"**RESOLVED** that Dr Saibal Kanti Gupta who retires from the Board of Directors under Article 101 of the Company's Articles of Association be and is hereby re-appointed a Director of the Company."

Mr Goutam Nandy proposed the resolution and Mr B Talukder seconded. On a voting by show of hands the resolution was declared carried by requisite majority.

The Chairman thanked Mr Wanecq and resumed conducting the proceedings of the meeting.

10. DIRECTOR – MR YVES M.C.M.G. NOKERMAN

The Chairman then read the following resolution relating to the re-appointment of Mr Yves M.C.M.G. Nokerman as Director :

"**RESOLVED** that Mr Yves M.C.M.G. Nokerman who retires from the Board of Directors under Article 101 of the Company's Articles of Association be and is hereby re-appointed a Director of the Company."

The Chairman then invited the Members present to propose and second the resolution. Mr Arup Das proposed the resolution and Mr T K Dutta seconded. On a voting by show of hands the resolution was declared carried by requisite majority.

11. AUDITORS

The Chairman read the following resolution which was to be passed as an Ordinary Resolution :

"**RESOLVED** that, pursuant to Section 224 of the Companies Act, 1956, Messrs B S R & Co., 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 B N Kundu proposed and Mr Goutam Nandy seconded the resolution. On a voting by show of hands the resolution was declared carried by requisite majority.

12. CLOSURE OF THE MEETING

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

13. VOTE OF THANKS

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

CHAIRMAN

Date : May 7, 2013