Vesuvius India Limited

MINUTES OF THE 20TH ANNUAL GENERAL MEETING HELD AT G D BIRLA SABHAGHAR, 29 ASHUTOSH CHOWDHURY AVENUE, KOLKATA 700 019 ON TUESDAY, APRIL 19, 2011 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
MR RAJESH GURARIA	B S R & Co., Auditors

MEMBERS/PROXIES

MEMBERS : **420** Members were present in person representing **14321033** shares
PROXY : **44** Members were present through proxy representing **6101** 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 51 proxies for 1,987,399 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, 2011 convening the Annual General Meeting, the Audited Accounts for the year ended on December 31, 2010 and the Report of the Directors thereon were taken as read.

4. REGISTER OF DIRECTORS' SHARE HOLDINGS

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.

5. CHAIRMAN'S SPEECH

The Chairman introduced the Directors present at the meeting. He then informed the Members present that Mr N M Ghose, past Director of the Company, had passed away on December 10, 2010. Mr Ghose had nurtured this Company in its formative years and even after stepping down from the Board remained a well-wisher of the Company. At the request of the Chairman a one-minute silence was observed by all present at the meeting in reverence to the memory of Mr N M Ghose.

The Chairman then explained to the Members that the Company had focused on new business arenas and strengthened its existing businesses which had resulted in excellent performance for the year. He announced that the Kolkata Plant expansion is expected to be completed by May 2011 and enhancement of capacity at Visakhapatnam was also under consideration. He confirmed that this year also the Company continued its "debt free" status even after huge expenditure on the Kolkata plant expansion and increase in working capital requirements. He pointed out to the Members present that during the current year the Company had notable achievements viz. revenue had crossed the Rs 400 crore mark, highest Earnings per Share of Rs 24.07 was achieved and share prices had also scaled new heights and was pleased to state that the Company was now poised to take full advantage of the revival of the fortunes of the steel industry in India and also other industries like Aluminum, cement etc.

The Chairman mentioned that the Board had recommended dividend of Rs 4 i.e. 40% per equity share of face value Rs 10/- each increased from Rs 3.75/- per equity share declared last year.

The Chairman then requested Mr Francois Wanecq, President & CEO of Vesuvius Group to speak to the Members.

Mr Francois Wanecq stated that the year 2010 was a much better year for the world economy and a record year for the steel industry as it reached highest production in any year. For Vesuvius Group also the year 2010 showed good returns after the 2008 crisis. During the crises period and thereafter, the Vesuvius Group looked into the evolution of inventory and improvement of supply chain, restructured the business and closed unviable plants and invested in large emerging economies. In spite of the crisis, Vesuvius Group had continued their Research & Development in innovation and for new products. He stated that the Indian history was much better. For Vesuvius India also the year 2010 showed its best performance with highest revenue, record production and improved working capital. Vesuvius India had recovered earlier from the crisis and so the Kolkata Plant expansion was given the go ahead and it is expected to be completed by May 2011. Vesuvius India has potential and so further capacity enhancement is being proposed around Visakhapatnam. He confirmed that the Vesuvius Group intends to give maximum support to the Indian operations to keep its leading position in India and confirmed once again that he was very pleased with the Vesuvius India 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., read the Auditors' Report on the Accounts for the year ended on December 31, 2010.

7. ACCOUNTS AND DIRECTORS' REPORT

The Chairman then read the following resolution :

"**RESOLVED** that the Profit and Loss Account for the year ended on December 31, 2010, the Balance Sheet as on that date and annexures thereto, the Cash Flow Statement for the year ended December 31, 2010, the Reports of Auditors and Directors thereon be and are hereby received and adopted."

Mr Krishnendu Das proposed and Mr R S Sharma 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, 2010.

Messrs B N Kundu, K L Mallik, Tarak Nath Chakraborty, S N Pal, Krishnendu Das, S Gattani, Ashit Kumar Pal, S L Rathi, S S Bhattacharya, S Pal, M R Chakraborty, Arup Das, S K Sukhani, A K Pal and S B Neogi in that order, asked questions, sought clarifications and made observations/ 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, for crossing Rs 400 crores turnover and achieving highest Earnings Per Share till date.
2. Thanked the Board for increasing dividend to Rs 4 per share. However, they wanted a higher dividend in view of goods profits and high cash balance. They stated that dividend payout was not commensurate with the revenue growth.
3. Wanted a bonus issue in view of reserves being over 10 times the share capital or a rights issue at a small premium.
4. Wanted a factory visit to be organized for at least those who attended the meeting.
5. Thanked Company for the attention it is giving to Safety & Health but wanted special focus on environment also and suggested an environment audit on pollution in neighbouring areas, green belting, carbon emission etc.
6. Good to see the technical newsletter VESUNET is being issued but wanted a copy of house journal VESUVIEWUS to be given to interested Members.
7. Whether Vesuvius Group intended to increase their stake in the Company.
8. What sort of mid-sized acquisitions are being planned by Vesuvius Group. What are expansion plans in India.
9. New guidelines had suggested that 2% of profits to be invested in CSR activities. What is Vesuvius road map for its CSR activities.
10. Number of shareholders have come down drastically since 2004 to give the reason for it.
11. Following expenses increased during the year – freight, power & fuel, loss on sale of assets.
12. Raised concern on the high disputes referred to in the Auditors Report and suggested that all litigations should be resolved immediately. Efforts to be taken for collecting Sales Tax forms and reduce liability or recover from customer.
13. Appreciated that the Registrars and Secretarial Department have maintained cordial relations with shareholders and have given excellent service and also that they received their unclaimed dividend due to special initiatives taken by the Registrars.

The Chairman then thanked the Members for taking such active interest in the affairs of the Company and answered the questions raised by the shareholders in detail and provided the clarifications as required. He stated that in view of the ongoing construction work for the Kolkata plant expansion no factory visit can be made now, that the Management at present did not have any plans for bonus issue or rights issue, that dividend has been paid as per past practice with intention to conserve cash for future expansions, that CSR activities were conducted by the Company in a small way which were reflected in the "Vesuvius Diary" section of the Annual Accounts and there were proposals for increasing such activities, proposals for enhancing capacity at Visakhapatnam was already under consideration and that India's growth in the next 10 years will be large and the Company has to retain some of its resources for future use to avail of the benefits of the growing Indian economy with support from the Vesuvius Group.

He then requested the Managing Director to give his response to the other questions raised by the shareholders. Mr Tanmay Ganguly, Managing Director explained that all suggestions given by the Members will be looked into and considered, disputes with the excise and sales tax departments are legitimate and all actions were being taken to ensure these are settled soon, that the Company does not enter into litigation unnecessarily and so pending litigations will be settled amicably, Kolkata plant expansion will be completed in May 2010 and new expansions may come up later.

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 per share, out of the current profits of the Company for the year ended on December 31, 2010 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 19, 2011, 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 – MR SHEKHAR DATTA

The Chairman then read the following resolution relating to the re-appointment of Mr Shekhar Datta as Director :

"**RESOLVED** that Mr Shekhar Datta 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 T N Chakraborty proposed the resolution and Mr S N Pal seconded. On a voting by show of hands the resolution was declared carried unanimously.

10. DIRECTOR – DR CLAUDE DUMAZEAU

The Chairman then read the following resolution relating to the re-appointment of Dr Claude Dumazeau as Director :

"**RESOLVED** that Dr Claude Dumazeau 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 B N Kundu 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 T N Chakraborty proposed and Mr S Gattani seconded the resolution. On a voting by show of hands the resolution was declared carried unanimously.

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.

Date : May 9, 2011

CHAIRMAN