Vesuvius India Limited

MINUTES OF THE 21ST ANNUAL GENERAL MEETING HELD AT WILLIAMSON MAGOR HALL, THE BENGAL CHAMBER OF COMMERCE & INDUSTRY, ROYAL EXCHANGE, 6 NETAJI SUBHAS ROAD, KOLKATA 700 001 ON THURSDAY, APRIL 26, 2012 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 **14,321,033** shares
PROXY : **21** Members were present through proxy representing **4,667,526** 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 21 proxies for 4,667,526 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 29, 2012 convening the Annual General Meeting, the Audited Accounts for the year ended on December 31, 2011 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 then announced that the Kolkata Plant expansion has now been completed and about 15 acres of freehold land at Visakhapatnam had been acquired and possession received. On this land it was proposed to construct the fifth plant of the Company and an International Standard Research & Development Centre.

The Chairman then highlighted to the Members that the Company had crossed the Rs 500 crores turnover mark and in a single year had added over Rs 100 crores of sales. The Earnings per Share and the share price in the stock market were the highest so far and despite the huge increases in power and fuel, raw materials, adverse foreign exchange fluctuation and payments of over Rs 38 crores in asset creation, the Company remained "Debt Free". He was pleased to state 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 4.25 (i.e. 42.50%) per equity share of face value Rs 10/- each and requested Members to dematerialise their shares and avail of NECS facilities.

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

Mr Francois Wanecq stated that the year 2012 will remain a year of financial turmoil in a global economy where things were moving fast. Vesuvius Group in keeping with the times had taken appropriate measures across all countries but was affected by China's steel industry and the international Solar industry which had entered into difficult times. For Vesuvius India, however, the year 2011 was a period of growth and opportunities as the steel industry had done well and there was huge potential not only in the steel industry but also in solar energy industry. He stated that the Vesuvius Group would support Vesuvius India to grow in capacity and technology. The Kolkata Plant expansion and further capacity expansion at the proposed new 3rd plant at Visakhapatnam and proposed Research & Development Centre at Visakhapatnam clearly indicated the Group's involvement and support to their Indian Operations. He is aware that India has great potential with technology and quality of its engineers and has confirmed that the Vesuvius Group intends to give maximum support to the Indian Operations to keep its leading position in India. 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, 2011.

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, 2011, the Balance Sheet as on that date and annexures thereto, the Cash Flow Statement for the year ended

December 31, 2011, the Reports of Auditors and Directors thereon be and are hereby received and adopted."

Mr J N Kundu proposed and Mr S N Pal 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, 2011.

Messrs Arup Kumar Das, B N Kundu, K L Mallik, S N Pal, S Gattani, Himangshu Upadhyay, Krishnendu Das, S Roy, S S Bhattacharya, Amit Kumar Banerjee, Feroze Tandon, M K Bubna, Manoj Gupta, Tarak Nath Chakraborty, S N Pal, S B Neogi, S L Rathi, A K Pal, S K Sukhani and Manik Chakraborty 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 500 crores turnover, achieving highest Earnings Per Share and highest share price till date and maintaining its leadership in Refractory Industry.
2. Wanted higher dividend in view of goods profits, high reserves and available cash balance.
3. Asked whether Board of Directors were contemplating bonus issue or a rights issue.
4. Wanted a factory visit to be organized for at least those who attended the meeting.
5. In view of huge cash balances whether the Company was proposing further capacity expansion or even a buyback of shares.
6. Options like splitting of shares or even reducing capital by reducing the face value per share to be considered
7. Explain the reason for following expenses which had increased during the year – interest expense, royalty, freight, power & fuel, loss on sale of assets, staff welfare, traveling & conveyance, provision for doubtful debts etc.
8. Following Balance Sheet items had also increased – Inventories, Debtors, Creditors.
9. Installed Capacity for Unshaped Refractory had increased but capacity utilization was low. What was the need for the capacity increase
10. Trading activities appear to have larger margins than manufacturing activities.
11. More details on the proposed Research & Development Centre at Visakhapatnam.
12. CSR activities should be encouraged and increased.
13. Whether Vesuvius Group intended to dematerialize their shares.
14. 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.
15. 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.

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 or split or buyback, that dividend has been paid as per past practice and Company policy with intention to conserving optimum resources for future capacity expansions and that all efforts are being taken by management to reduce litigation specially related to disputed direct and indirect taxes.

He then requested the Managing Director to give his response to the other questions raised by the Members. Mr Tanmay Ganguly, Managing Director explained that there was nominal growth in the Indian Steel Industry and major steel makers had reduced their production due to non availability of iron ore, that for the next few months clear visibility on the economic scenario was not available, competition remained high which required constant reworking of strategy and technological advancement to stay ahead. He stated that royalty payment should not be seen in isolation but in comparison with growth in sales, induction of new technology from the Vesuvius Group and the success of such new technology which assist us to stay ahead of competition. There are future capacity expansion plans in the next few years and hence it was thought prudent to retain cash for future investment.

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 4.25 per share, out of the current profits of the Company for the year ended on December 31, 2011 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 26, 2012, 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 Manoj Gupta 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 SUDIPTO SARKAR

The Chairman then read the following resolution relating to the reappointment of Mr Sudipto Sarkar as Director :

"**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."

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

10. DIRECTOR – MR BISWADIP GUPTA

The Chairman then read the following resolution relating to the reappointment of Mr Biswadip Gupta as Director :

"**RESOLVED** that Mr Biswadip Gupta 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."

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 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 K L Mallik proposed and Mr Taran Nath Chakraborty seconded the resolution. On a voting by show of hands the resolution was declared carried unanimously.

12. PAYMENT OF COMMISSION TO DIRECTORS

The Chairman then read the following resolution which was to be passed as a Special Resolution :

"**RESOLVED** that pursuant to the provisions of Section 309(4) read with Section 309(7) of the Companies Act, 1956, or any re-enactments thereof, the Directors of the Company (other than the Managing Director) be and are hereby authorised to continue to receive a commission, to be divided between them in such manner as may be determined by the Board of Directors, which shall not exceed in the aggregate one per cent (1%) of the net profits of the Company, computed in the manner prescribed under Section 198(1) of the Companies Act, 1956, or any re-enactments thereof, in respect of the profits for each of the five financial years of the Company commencing from April 1, 2012."

Mr Manoj Gupta proposed and Mr M K Bubna seconded the resolution. On a voting by show of hands the resolution was declared carried unanimously.

13. REAPPOINTMENT OF MR TANMAY KUMAR GANGULY

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

"**RESOLVED** that Mr Tanmay Kumar Ganguly be and is hereby reappointed a Director of the Company with effect from April 18, 2012 who shall not be liable to retire by rotation."

"**RESOLVED FURTHER** that, pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other provisions of the Companies Act, 1956 including any statutory modification or re-enactment thereof and subject to the approval of the Central Government, if applicable, consent be and is hereby given to the appointment of Mr Tanmay Kumar Ganguly as Managing Director of the Company for a period of five years effective from April 18, 2012 to April 17, 2017 on a remuneration as set out in the draft Agreement, duly initialed by the Chairman for identification, to be entered into between the Company of the one part and Mr Ganguly 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 remuneration and perquisites of Mr Ganguly including his salary, allowances, commission, bonus, perquisites and benefits within the overall ceilings laid down in the aforesaid draft Agreement and the Companies Act, 1956 including any statutory modification or re-enactment thereof."

Mr Tarak Nath Chakraborty proposed and Mr K L Mallik seconded the resolution. On a voting by show of hands the resolution was declared carried by requisite majority.

14. CLOSURE OF THE MEETING

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

15. VOTE OF THANKS

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

Date : 10th May 2012

CHAIRMAN