



SEC/SEBI/112

May 5, 2016

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
Submission of Annual Report to Stock Exchanges

Pursuant to the provisions of Regulation 34 of the 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, 2015 which has been approved and adopted at the Annual General Meeting held at Kolkata on Wednesday May 4, 2016 containing the following :

- a) Notice dated February 26, 2016 convening the Annual General Meeting
- b) Audited Financial Statements containing the Balance Sheet as on December 31, 2015, the Statement of Profit and Loss Account and Cash Flow Statement for the financial year ended December 31, 2015 and annexures thereto
- c) Independent Auditors Report dated February 26, 2016
- d) Directors Report and Management Discussion and Analysis Report together with Corporate Governance Report and Certificate of Practicing Company Secretary on the Corporate Governance Report and other annexures thereto
- e) Secretarial Audit Report
- f) Managing Director's Certificate under Regulation 34(3) read with Part D of Schedule V of the SEBI (Listing Obligations and other Disclosure Requirements) Regulations, 2015

The Financial Year of the Company ended on December 31, 2015 as approved by the Company Law Board. The Business Responsibility Report under Regulation 34(2)(f) is not applicable to the Company for the Financial Year ended December 31, 2015.

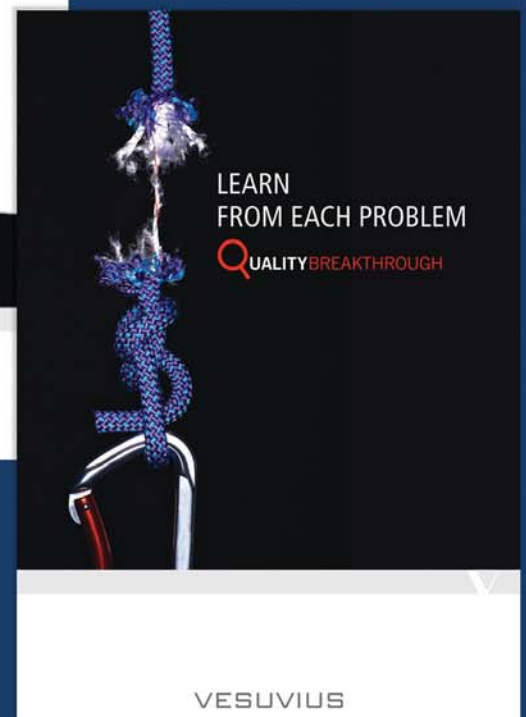
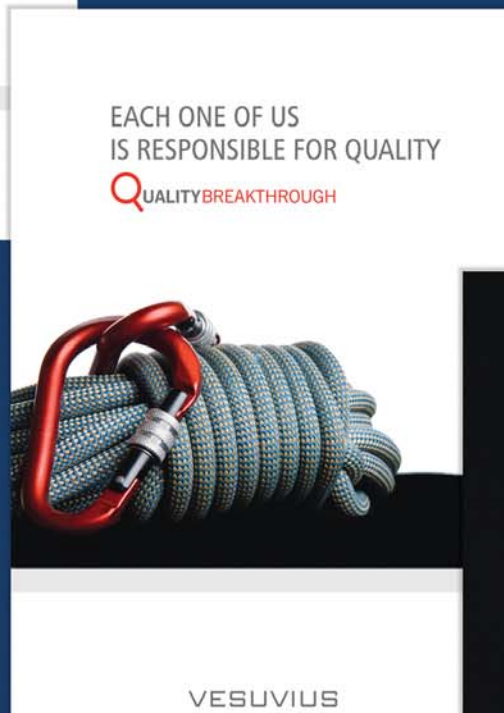
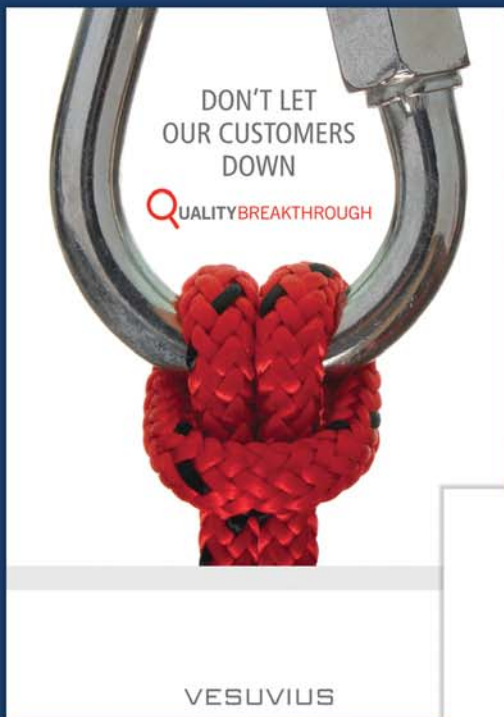
Yours faithfully

Vesuvius India Limited

Taposh Roy
Company Secretary

Encl : Annual Report 2015

Quality Initiatives...



Vesuvius India Limited
Annual Report 2015





Quality Initiatives...

- ❖ Having made some headway with our Health and Safety initiatives based on Turbo.S, we are launching our next drive – a focused approach towards significantly impacting the Quality of our products & services
- ❖ Our Quality Initiatives will be based on the elements of **Turbo.Q**

The essence of Turbo.Q

- ❖ Customer Loyalty is driven by
 - Consistent quality of products & services
 - The supplier's ability to resolve problems with speed and to provide high-quality solutions that prevent repeats
- ❖ Customer Loyalty drives business retention & profits

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VESUVIUS HISTORY

In 1916, Vesuvius was born in Pittsburgh, Pennsylvania while World War I was in its third year. The war produced unprecedented boom conditions in the American steel industry. In 1914 there were 23.5 Millions gross tons of steel ingots and casting poured in the United States. By 1915 this figure had risen to 32.1 M tons, and by 1916 was again up sharply to 42.7 M tons. Prices for steel products also showed sharp gains with many items tripling in price between the years 1914 and 1917.

The steel boom was especially felt in Pittsburgh, the world capital of steelmaking. Coincidentally in 1916 the city was celebrating the 100th anniversary.

The fact remains, that no better year could have been picked to launch an enterprise serving the metallurgical industry.



Three young men, Francis L. Arensberg, Charles F. Covert Arensberg and Arthur J. Jackman, with financial assistance of Miss Edith Arensberg, decided to startle the world by producing the best crucible ever made. Vesuvius Crucible Company started business on August 1st, 1916.

100 years of innovation by Vesuvius

Developments : New product developments included stopper head, ROTOLOK, ROTOROD, Ladle inner nozzle, Ladle and Tundish sliding gate systems, ladle shroud, isostatic pressing technology and other innovations used for continuing casting of steel process.

Expansions : The First European facility commenced in 1963 at Newmilns (Scotland). Thereafter new plants were installed in other countries including India. Vesuvius now operates in 30 countries with over 69 manufacturing establishments and 6 Research & Development Centres.

Acquisitions : Accumetrix, FLO-CON, KSR, Monofrax, Metacon AG, Becker-Piscantor, VGT-DYKO, Foseco, amongst others.



Vesuvius India will celebrate its 25th year since incorporation on September 6, 1991. Several milestones have been achieved in this short history some of which are :

❖ Factories

- ❁ First factory at Kolkata commenced operations in 1994
- ❁ First factory at Visakhapatnam acquired in 2000
- ❁ Crucibles factory at Mehsana acquired in 2003
- ❁ Second factory at Visakhapatnam constructed in 2007
- ❁ Land for third factory acquired in 2011

❖ Total Revenue

- ❁ crossed Rs 100 crores in 2002
- ❁ crossed Rs 500 crores in 2011
- ❁ crossed Rs 700 crores in 2015

❖ Maintained “debt free” status since 2001

❖ Paying Dividend since 1998

❖ Highest share price was Rs 849 on NSE on August 7, 2014

Board of Directors



Biswadip Gupta
Chairman



Subrata Roy
Managing Director



Francois Clement Wanecq



Tanmay Kumar Ganguly



Nayantara Palchoudhuri



Christopher David Abbott



Sudipto Sarkar

Board of Directors

(as on February 26, 2016)

Biswadip Gupta, *Chairman*
Subrata Roy, *Managing Director*
Christopher David Abbott
Tanmay Kumar Ganguly
Nayantara Palchoudhuri (Miss)
Sudipto Sarkar
Francois Clement Wanecq

Board Committees

(as on February 26, 2016)

Audit Committee

Biswadip Gupta, *Chairman*
Christopher David Abbott
Tanmay Kumar Ganguly
Nayantara Palchoudhuri (Miss)
Sudipto Sarkar

Corporate Social Responsibility Committee

Biswadip Gupta, *Chairman*
Tanmay Kumar Ganguly
Nayantara Palchoudhuri (Miss)
Subrata Roy
Sudipto Sarkar

Nomination and Remuneration Committee

Sudipto Sarkar, *Chairman*
Biswadip Gupta
Christopher David Abbott
Tanmay Kumar Ganguly
Nayantara Palchoudhuri (Miss)

Share Transfer and Stakeholders Grievance & Relationship Committee

Biswadip Gupta, *Chairman*
Christopher David Abbott
Tanmay Kumar Ganguly
Nayantara Palchoudhuri (Miss)
Subrata Roy
Sudipto Sarkar

Key Managerial Personnel

Subrata Roy, *Managing Director*
Sanjoy Dutta, *Chief Financial Officer*
Taposh Roy, *Company Secretary*
Email : Taposh.Roy@vesuvius.com

Auditors

Messrs B S R & Co. LLP
Chartered Accountants
Godrej Waterside,
Unit No 603 & 604, 6th floor, Tower I
Plot No 5, Block DP, Sector V
Salt Lake, Kolkata 700 091
(Firm's Registration no 101248W/W-100022)



VESUVIUS

Secretarial Auditors

Anjan Kumar Roy & Co.
DPS Business Centre, 9A, Sebak Baidya Street
Kolkata 700 029

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
Tel : (033) 4011 6700/ 6711/ 6718/ 6729
Fax : (033) 40116739
Email : rta@cbmsl.com
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

Kolkata Factory

P-104 Taratala Road
Kolkata 700 088
Tel : (033) 30410600
Fax : (033) 2401 1235
Email : Rana.Dey@vesuvius.com

Visakhapatnam Factories

(a) First factory

Plot No. 13, 14 & 15, Block "E"
IDA Autonagar, Visakhapatnam 530 012
Tel : (0891) 3011300; 3011337
Fax : (0891) 2587511
Email : Achintya.Chandra@vesuvius.com

(b) Second factory

Survey No 90 & 98, Part, Block G,
Industrial Park, Fakirtakya Village
Autonagar, Visakhapatnam 530 049
Tel : (0891) 3983715
Fax : (0891) 3983708
Email : Achintya.Chandra@vesuvius.com

Mehsana Factory

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

Notice of Annual General Meeting

To The Members of
VESUVIUS INDIA LIMITED

Notice is hereby given that the twenty-fifth 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 Wednesday, May 4, 2016 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, 2015, and 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, 2015, the Balance Sheet as on that date and annexures thereto, the Cash Flow Statement for the year ended on December 31, 2015, 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, 2015 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 6.25 per Equity Share of nominal value Rs 10/- each, out of the current profits of the Company for the year ended on December 31, 2015 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 who hold shares in physical form and whose names appear on the Company's Register of Members as on May 4, 2016 and to those Members who hold shares in dematerialised form and whose name appear in the Register of Beneficial Owners maintained by the Depositories as on the Record Date which is April 27, 2016."

3. To reappoint Mr Subrata Roy 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 Subrata Roy (DIN No. 07046994), 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."

4. To ratify the appointment of Auditors of the Company and to fix their remuneration and, in this connection, to pass the following resolution as an **Ordinary Resolution** :

"**RESOLVED** that, pursuant to the provisions of Section 139 of the Companies Act, 2013, the appointment of Messrs B S R & Co. LLP, Chartered Accountants, of Godrej Waterside, Unit No 603 & 604, 6th floor, Tower I, Plot No 5, Block DP, Sector V, Salt Lake, Kolkata 700091 (Firm's Registration no. 101248W/W-100022) as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the twenty-sixth Annual General Meeting of the Company at a remuneration and on terms plus out-of-pocket expenses as may be determined by the Board of Directors of the Company which was approved by the Members at the twenty-fourth Annual General Meeting of the Company held on May 7, 2015, be and is hereby ratified."

SPECIAL BUSINESS

5. 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 Tanmay Kumar Ganguly (DIN No. 01272338), in respect of whom the Company has received from a Member a notice in writing along with requisite deposit pursuant to the requirements of section 160 of the Act proposing his candidature for appointment as a Director, be and is hereby appointed as a Director of the Company and he shall be liable to retire by rotation."

6. 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 Christopher David Abbott (DIN No. 07276608), in respect of whom the Company has received from a Member a notice in writing along with requisite deposit pursuant to the requirements of section 160 of the Act proposing his candidature for appointment as a Director, be and is hereby appointed as a Director of the Company and he shall be liable to retire by rotation."

Explanatory Statement : Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under Item No. 5 and 6 of the Notice is annexed and forms a part of this Notice.

Book Closure Period : Notice is also given under section 91 of the Companies Act, 2013 read with regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("SEBI-LODR") that the Register of Members and Share Transfer Books of the Company will remain closed from **April 28, 2016 to May 4, 2016** (both days inclusive) to determine those Members who hold shares in physical form and who will be entitled to receive dividend which will be declared at the Annual General Meeting.

Record Date : Notice is also given under section 91 of the Companies Act, 2013 read with regulation 42 of SEBI-LODR that the Record Date will be **April 27, 2016** to determine those Members who hold shares in dematerialised form and 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** has been fixed as **April 27, 2016** 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 e-Voting at the meeting venue.

Notes to the Notice : The Notes appended to the Notice forms a part of the 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 than 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 AGM venue.**

By Order of the Board of Directors

Vesuvius India Limited

Taposh Roy
Company Secretary

Registered Office :
P-104 Taratala Road
Kolkata 700088
February 26, 2016

Notes forming part of the Notice to Members :

1. IMPORTANT DATES FOR MEMBERS

ANNUAL GENERAL MEETING : Annual General Meeting will be held on **May 4, 2016 at 10.30 a.m** at G D Birla Sabhaghar, 29, Ashutosh Chowdhury Avenue, Kolkata 700019.

BOOK CLOSURE : The Register of Members and Share Transfer Books of the Company will remain closed from **April 28, 2016 to May 4, 2016** (both days inclusive), to determine those Members who hold shares in physical form and who will be entitled to receive dividend which will be declared at the Annual General Meeting.

RECORD DATE : Record Date will be **April 27, 2016** to determine those Members who hold shares in dematerialised form and who will be entitled to receive dividend which will be declared at the Annual General Meeting.

CUT OFF DATE : Cut Off Date has been fixed as **April 27, 2016** 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 e-Voting at the meeting venue.

Notice of Annual General Meeting (Contd.)

REMOTE ELECTRONIC VOTING PERIOD will be from **9.00 a.m. on April 30, 2016 to 5.00 p.m. on May 3, 2016**, both days inclusive. Remote e-Voting will be blocked after 5.00 p.m. on May 3, 2016.

ELECTRONIC VOTING FACILITY will also be provided at the venue of the Annual General Meeting on May 4, 2016 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 May 9, 2016 and dividend will be paid within May 15, 2015 to those Members who hold shares in physical form and whose names appear on the Register of Members on May 4, 2016 or to their mandatees. In respect of shares held in electronic form as on the Record Date of April 27, 2016, dividend will be paid on the basis of beneficial ownership as per details 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. **In compliance with these regulations, 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 30, 2016 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 TO IEPF** : Dividend for the year ended on December 31, 2008 which was declared at the Annual General Meeting held on April 28, 2009 and remaining unclaimed will be transferred to the Investor Education and Protection Fund of the Central Government in May 2016 pursuant to the provisions of section 205A of the Companies Act, 1956. Thereafter no claim shall lie on these dividend from the Members. Members are requested to lodge their claims with the Registrars & Share Transfer Agents immediately. Reminder letters have been sent to the Shareholders concerned on February 12, 2016.
6. **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, Members are requested to avail of the facility of dematerialization of the Company's shares.
7. **NOMINATION** : Pursuant to the provisions of section 72 of the Companies Act, 2013, Members 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".
8. **WEBSITE** : The Company's website is **www.vesuviusindia.com** Annual Reports of the Company, unclaimed dividend list, standard downloadable forms and other Shareholder Communication are made available on the Company's website.
9. **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 10.30 a.m. and 4.00 p.m. on all working days upto the date of the Annual General Meeting.

10. **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.
11. **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 Mr Taposh Roy, Company Secretary, at the Registered Office or by email at Taposh.Roy@vesuvius.com.
12. **ITEM No. 3 : REAPPOINTMENT OF MR SUBRATA ROY AS DIRECTOR**

Mr Subrata Roy (DIN no. 07046994), was appointed Director and also the Managing Director of the Company for a period of five years effective from January 1, 2015 at the Extra-Ordinary General Meeting of the Company held on March 27, 2015 and he retires by rotation in terms of section 152(6) of the Companies Act, 2013 and in accordance with the Articles of Association of the Company at the forthcoming Annual General Meeting, and being eligible, has offered himself for reappointment as a Director. He is proposed to be reappointed a Director and will continue as the Managing Director.

Mr Subrata Roy, aged 50 years, is a Mechanical Engineer from Jadavpur University, Kolkata, and worked with Bharat Heavy Electricals Ltd. for five years prior to joining Vesuvius India in September, 1993. Over the last two decades, Mr Roy has had numerous roles within the Company. He assumed the responsibilities of Engineering Manager of the Kolkata Plant, Slidegates Product Line Manager for Asia Pacific, Business Manager-Slide Gates & Purge Plugs, then General Manager-Flow Control Sales and was the Chief Executive-Operations for two and half years immediately before being appointed as the Managing Director with effect from January 1, 2015. He was an integral part of the team which set up the Company's first factory at Kolkata and he had also supervised the construction of the Company's second factory at Visakhapatnam. Mr Roy brings with him rich experience and knowledge in engineering, manufacturing, technology and commercial activities through his extensive interactions in India and with the Vesuvius Group.

Mr Roy is not a Director of any Company in India or abroad. He is a member of the following Committees of the Company and in no other Committees in India :

Name of Company	Name of Committee	Nature of Membership
Vesuvius India Ltd	1. Share Transfer & Stakeholders Grievance & Relationship Committee	Member
	2. Corporate Social Responsibility Committee	Member

Mr Roy does not hold any shares of the Company and is not related to any Director or Key Managerial Personnel of the Company.

No Promoter, Director, Key Managerial Personnel or their relatives, except Mr Subrata Roy, is concerned or interested in the resolution.

13. 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 :

Notice of Annual General Meeting (Contd.)

- 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 27, 2016** 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 30, 2016 upto 5.00 p.m. on MAY 3, 2016, both days inclusive**. Remote e-Voting shall not be allowed beyond 5.00 p.m. on May 3, 2016 and remote e-Voting facility will be blocked after 5.00 p.m. on May 3, 2016. 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 internet browser and type the following URL: **<https://www.evoting.nsdl.com>**
- 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.
- 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. Once the e-Voting home page opens, click on **e-Voting > Active Voting Cycles**.
- viii. Select **"EVEN"** (E-Voting Event Number) of **Vesuvius India Limited**. Now you are ready for e-Voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on **"Submit"** and also **"Confirm"** when prompted.
- x. Upon confirmation, the message **"Vote cast successfully"** will be displayed.
- xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently or cast the vote again.
- xii. Mr Anjan Kumar Roy, Proprietor of Anjan Kumar Roy & Co, Practicing Company Secretaries (Membership No. F5684 and C.P. No 4557) has been appointed as the Scrutinizer to scrutinise the e-Voting process in a fair and transparent manner and to give his report to the Chairman.
- xiii. 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 to **anjanroy_2003@yahoo.co.in** or **anjankumarroyco@hotmail.com** with a copy marked to **evoting@nsdl.co.in**.
- xiv. 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 **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. K. Mustafi, M/s. CB Management Services (P) Ltd., Tel. No. (033) 40116729, e-mail: **mustafik@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. (xiv) above, in case you like to cast your vote through Remote e-Voting.

- II. **ELECTRONIC 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 27, 2016** and who have not cast their votes electronically through remote e-Voting, will be entitled

to electronically vote on the business and all resolutions set forth in this Notice at the venue of the Annual General Meeting ("AGM"). E-Voting at the AGM venue will commence after the Chairman explains the procedure for e-Voting to be followed and formally announces the commencement of e-Voting at the AGM venue. Members will be informed of the procedure for e-Voting at the venue and will be assisted by representatives of NSDL. For e-Voting purposes passwords will be provided separately to the Members at the AGM venue. The documents entitling a Member to vote electronically at the AGM venue will be given 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 sending email at **mustafik@cbmsl.co**. 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.

14. **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 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 to the Chairman of the Company or in his absence to the Managing Director, of the votes cast in favour or against 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

Notice of Annual General Meeting *(Contd.)*

counters at the AGM venue. Passwords for e-Voting at the AGM venue will be provided 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.

Registered Office :
P-104 Taratala Road
Kolkata 700088
February 26, 2016

By Order of the Board of Directors

Vesuvius India Limited

Taposh Roy
Company Secretary

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

ITEM No. 5

Mr Tanmay Kumar Ganguly (DIN No. 01272338) was the Managing Director of the Company from April 18, 2007 to December 31, 2014. Effective January 1, 2015 he had become the President-Advanced Refractories of the Vesuvius Group worldwide and had relocated to the United Kingdom. Mr Yves M.C.M.G. Nokerman, Director of the Company, had resigned from Vesuvius Group and therefore also resigned as a Director of the Company effective from May 7, 2015 and in the casual vacancy caused by the resignation of Mr Nokerman, Mr Ganguly was appointed a Director effective from May 7, 2015 at the Board meeting held on that day. Mr Ganguly has given his consent to be a Director of the Company and has also declared that he is not disqualified to be a Director of the Company.

Mr Ganguly is 52 years of age, a Bachelor of Commerce graduate and a Chartered Accountant and has over 25 years of experience in chemicals, refractory and FMCG industry. He started his career with Union Carbide India Ltd and has worked in ICI (India) Ltd, Hindustan Lever Limited, Pillsbury India as Chief Financial Officer, as Finance Director-Asia Pacific Region of General Mills (Pillsbury) then returned to India as President and CEO of General Mills India and Chief Operating Officer of Radhakrishna Foodland Pvt Ltd. He joined the Company in May 2006 as Chief Operating Officer and was Managing Director of the Company from April 18, 2007 to December 31, 2014. From January 1, 2015 he is the President-Advanced Refractories of the Vesuvius Group worldwide. From May 7, 2015 he was appointed a Director of the Company in the casual vacancy caused by the resignation of Mr Yves M.C.M.G. Nokerman.

Mr Ganguly is not a Director of any Company in India or abroad. He is a member of the following Committees of the Company and in no other Committees in India :

Name of Company	Name of Committee	Nature of Membership
Vesuvius India Ltd	1. Audit Committee	Member
	2. Nomination & Remuneration Committee	Member
	3. Share Transfer and Stakeholders Grievance & Relationship Committee	Member
	4. Corporate Social Responsibility Committee	Member

Mr Ganguly does not hold any shares of the Company and is not related to any Director or Key Managerial Personnel of the Company. He will be liable to retire by rotation.

Notice has been received from a Member along with the requisite deposit proposing the appointment of Mr Tanmay Kumar Ganguly as a Director of the Company at the ensuing Annual General Meeting.

No Promoter, Director, Key Managerial Personnel or their relatives, other than Mr Tanmay Kumar Ganguly, is concerned or interested in the resolution.

The Board of Directors recommends the appointment of Mr Tanmay Kumar Ganguly as a Director of the Company.

ITEM No. 6

Mr Christopher David Abbott (DIN No. 07276608) is 54 years of age, a British National, is a Mechanical Engineer and has over 30 years' experience in industrial, manufacturing and business development functions. He is presently President -Flow Control of the Vesuvius Group and operates from Ghlin, Belgium. Mr Abbott joined Vesuvius in 2000 and was the Vice President for Manufacturing, QHSE, Engineering and Purchasing since 2002, before becoming President-Flow Control in October 2008. Prior to joining Vesuvius he held a number of senior industrial and manufacturing managerial positions with Schlumberger's UK and European businesses.

At the Board meeting held on August 3, 2015 Mr Abbott was appointed an Additional Director of the Company, subject to the approval of the Members of the Company, to hold office upto the date of the ensuing Annual General Meeting. Mr Abbott has given his consent to be a Director of the Company and has also declared that he is not disqualified to be a Director of the Company.

Mr Abbott is not a Director of any Company in India but is Chairman of the Supervisory Board of two companies abroad, namely, Vesuvius Ceska Republica a.s. and Vesuvius Slavia a.s. He is a member of the following Committees of the Company and in no other Committees in India :

Name of Company	Name of Committee	Nature of Membership
Vesuvius India Ltd	1. Audit Committee	Member
	2. Nomination & Remuneration Committee	Member
	3. Share Transfer and Stakeholders Grievance & Relationship Committee	Member

Mr Abbott does not hold any shares of the Company and is not related to any Director or Key Managerial Personnel of the Company. He will be liable to retire by rotation.

Notice has been received from a Member along with the requisite deposit proposing the appointment of Mr Christopher David Abbott as a Director of the Company at the ensuing Annual General Meeting.

No Promoter, Director, Key Managerial Personnel or their relatives, other than Mr Christopher David Abbott, is concerned or interested in the resolution.

The Board of Directors recommends the appointment of Mr Christopher David Abbott as a Director of the Company.

By Order of the Board of Directors

Vesuvius India Limited

Taposh Roy
Company Secretary

Registered Office :
P-104 Taratala Road
Kolkata 700088
February 26, 2016

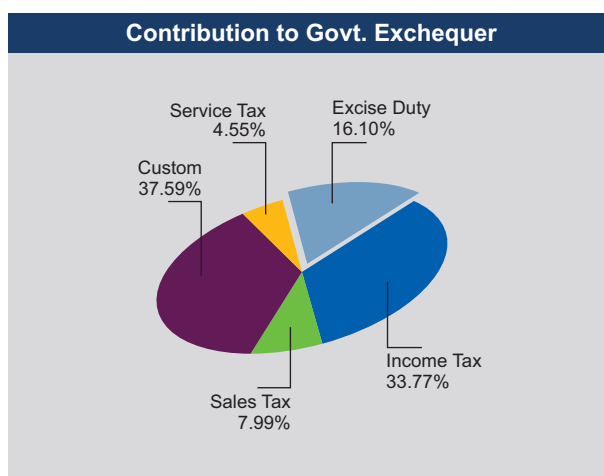
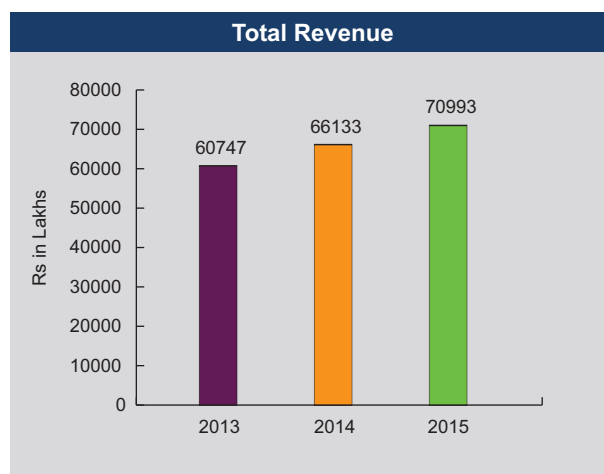
Report of The Directors and Management Discussion & Analysis Report

FOR THE YEAR ENDED ON DECEMBER 31, 2015

The Directors have pleasure in submitting their Annual Report together with the Audited Financial Statements for the year ended on December 31, 2015.

The Year in Retrospect

	(Rs Lakhs)	
	Year ended 31.12.2015	Year ended 31.12.2014
Financial Results:		
Sale of Goods (excluding Excise Duty)	67,117	62,167
Sale of Services	2,729	3,000
Other Income	126	56
Total Revenue from operations	69,972	65,223
Other Income	1,021	910
Total Revenue	70,993	66,133
Profit before Depreciation, Interest & Tax (PBDIT)	13,559	10,905
Depreciation & Amortisation	2,322	1,912
Interest	-	-
Profit before Tax	11,237	8,993
Provision for Income Tax	3,878	3,076
Profit for the year after Tax	7,359	5,917
Proposed Dividend and Taxes :		
Proposed Dividend @ Rs 6.25 per Equity share	1,268	1,218
Dividend Tax on Dividend	258	243
Interim Dividend	-	203
Dividend Tax on Interim Dividend	-	34
Total Dividend and Taxes	1,526	1,698
Transfer to General Reserves :	736	592
Basic & Diluted Earnings Per Share :	Rs 36.26	Rs 29.15



Financial Year of the Company

The Financial Year of the Company continues to remain the twelve months period from 1st January to 31st December of each year. The Company Law Board by an Order dated January 7, 2016 permitted the Company to have the Financial Year to end on 31st December of each year.

Operating & Financial Performance, Internal Control

India's steel production grew by a meagre 2.6% from 87.3 million tons in 2014 to 89.6 million tons during 2015 compared to the 6.5% - 7% growth forecast by the World Bank as well as the World Steel Association. After an initial growth, production slumped during the year. Domestic steelmakers suffered immensely as

steel market prices dropped close to or below their cost of production due to many factors including the sharp increase in low-priced imports from China. The market weakness affected our customers who are desperate to cut their costs. Major steel producers have either dropped their outputs significantly and are producing inconsistently or have shelved their growth plans.

In this scenario, our strategies to re-jig market portfolio, exit low margin business, focused reduction in operational costs, enlarge addressable markets through increased penetration of existing and new value creating solutions and reinforcing our technology

and innovation leadership positions, have given positive results. We were able to defend our market share at the cost of profitability at some of our major customers. Competition activities have increased as they hold on to their market share with aggressive pricing.

We have always thrived on differentiated offerings in terms of value-added products and services to our customers. This is always a high stake battle and our sword and our shield on this battleground has always been **Quality**. The **Turbo-Q** programme was launched during the year to sharpen our instincts and hone our skills in delivering Quality to our customers. The essence of this programme was to drive home this all-important message that :

- Customer Loyalty drives business retention & profits
- Customer Loyalty is driven by
 - ❑ Consistent quality of products and services
 - ❑ The supplier's ability to resolve problems with speed and to provide high quality solutions that prevents repeats.

This year the Company's total revenue crossed Rs 700 crores. Total revenue from operations increased by over 7% over the previous year driven entirely by domestic growth. Net sales increased by about 8% and both PBT and PAT increased by about 25% over the previous year. Reduction in raw material and energy costs and focused attention in reducing operations cost contributed to significant savings.

There is no change in the nature of the business of the Company. The Company has no subsidiaries or associated companies therefore disclosures in this regard are not provided in this Report. 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.

All four factories had been working efficiently during the year. 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 has been conducted on a pan India basis.

Company's Policies on Health & Safety, Quality, Corporate Social Responsibility, Remuneration, Employee Concern (Whistle Blowing), Related Party Transactions, Insider trading, Risk Management and also the Code of Conduct applicable to Directors and Employees of the Company have been complied with. These Policies and the Code of Conduct are available on the Company's website www.vesuviusindia.com

Dividend

The Board of Directors are pleased to recommend a dividend of Rs 6.25 per Equity Share of nominal value of Rs 10/- each. The dividend together with dividend tax will entail a cash outflow of Rs 1,526 lakhs (previous year Rs 1,461 lakhs). If this is approved at the forthcoming Annual General Meeting, dividend will be deposited with the bank within May 9, 2016 and dividend will be paid within May 15, 2016.

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 steel and foundry industries. Vesuvius develops innovative and customised solutions to be used in extremely demanding industrial environments, which enable customers to improve their manufacturing processes, enhance product quality and reduce energy consumption. Vesuvius has a worldwide presence and serves customers through a network of low-cost manufacturing plants located close to their own facilities and embed the Vesuvius industry experts with their operations, who are supported by Vesuvius global technology centres. Vesuvius' core competitive strengths are market and technology leadership, strong customer relationships, well established presence in developing markets and global reach.

During the year Vesuvius plc. completed the acquisition of the SIDERMES group of companies, an Italian manufacturer of ceramic probes for the measure of temperature and dissolved gases in the

Report of The Directors (Contd.)

steel and foundry industries. This acquisition is an additional step in the implementation strategy to grow in the provision of technical services to our customers.

Vesuvius Group Limited, U.K., the immediate holding company, holds about 56% of the share capital of the Company. Mr Francois Wanecq, the Chief Executive of Vesuvius plc, the ultimate holding company, is a Director of our Company. Mr Tanmay Ganguly, President -Advanced Refractory and Mr Christopher Abbott, President-Flow Control of the Vesuvius Group worldwide are also Directors of the Company. The Vesuvius Group has a sincere commitment to and has been extremely supportive of their Indian operations and continues to provide constant support in terms of technology, systems, manufacturing etc.

100 years of VESUVIUS - In the year 1916 Vesuvius was born in Pittsburg, Pennsylvania, USA, when the World War I was in its third year and American steel industry had unprecedented boom conditions. Three young men startled the world in 1916 by producing the best crucibles ever made. VESUVIUS completes 100 years in this year 2016. Since 1916 Vesuvius had expanded its operations to Europe with its first European facility in Newmilns, Scotland. Vesuvius' development and invention of flow control product called "stopper rod", isostatically pressed alumina graphite products etc. made continuous casting technology viable and replaced the conventional ingot casting process. Vesuvius now operates in over 30 countries with over 69 manufacturing establishments, 6 Research & Development Centres and 8 Development Laboratories.

25 years of VESUVIUS INDIA - In year 1991 Vesuvius incorporated their first Indian operations in Kolkata. VESUVIUS INDIA completes 25 years in this year 2016. In these 25 years, our Company now operates in four factories, exports to over 15 countries, has reached a total revenue earning of Rs 700 crores with about direct 435 employees over 1500 contractual employees, has consistently paid dividend to the Shareholders since 1998 and still remains debt free.

ISO Certification

The Company's factories at Kolkata, Mehsana and Visakhapatnam and two of its sites at Surat in Gujarat and Dolvi in Maharashtra have been certified ISO 9001:2008 for Quality Management Systems Standards.

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

It was a weak market for the Indian steel industry as domestic steelmakers suffered immensely due to lower market prices and many factors including the sharp increase in low-priced imports from China. Steel companies had reduced production, shelved their expansion plans and were desperate to reduce their operational costs. The economy has not yet delivered its promises in terms of serious demand from infrastructural growth.

Steel and foundry industry comprises the biggest group of our customers. Hence anything that affects the steel and foundry industry will have its one off effect on our business.

There is a continuous process for identifying, evaluating and managing significant risks faced through a risk management process designed to identify the key risks facing each business. The role of insurance and other measures used in managing risks is also reviewed. Risks would include significant weakening in demand from core-end markets, end market cyclicity, adverse foreign exchange fluctuations, inflation uncertainties, energy costs and shortage of raw materials, maintenance and protection of leading technologies and adverse regulatory developments. During the year a risk analysis and assessment was conducted and no major risks were noticed.

Board of Directors

Mr Subrata Roy was appointed Managing Director of the Company for a term of five years effective from January 1, 2015 and his appointment was made by the Board of Directors at their meeting held on December 26, 2014 and thereafter was approved by the Shareholders at the Extra-Ordinary General Meeting held on March 27, 2015. Mr Roy is due to retire by rotation at the ensuing Annual General Meeting. Mr Roy has confirmed and declared that he is qualified to act as a Director of the Company and being eligible has offered himself for reappointment as a Director of the Company. The Board of Directors are also of the opinion that Mr Roy fulfils all the conditions specified in the Companies Act, 2013 making him eligible to be appointed as Director. Upon his reappointment as Director, he will continue as

Managing Director of the Company for the remaining period of his term. His reappointment will be subject to retirement by rotation. Details about Mr Subrata Roy is mentioned in the Notice convening the Annual General Meeting.

Miss Nayantara Palchoudhuri was appointed an Independent Director at the Extra-Ordinary General Meeting held on March 27, 2015 for a term of five years commencing from March 27, 2015 and will not be liable to retire by rotation during her term of five years.

Mr Biswadip Gupta was appointed as an Independent Director at the Annual General Meeting held on May 7, 2015 pursuant to the provisions of section 149 of the Companies Act, 2013 for a period of five years from May 7, 2015 and will not be liable to retire by rotation during his term of five years.

Mr Yves M.C.M.G Nokerman, who was a nominee of the holding company, had resigned from the Vesuvius Group's employment and so had resigned as a Director of the Company and his resignation was accepted effective from May 7, 2015. The Board of Directors record their appreciation of the services rendered by Mr Nokerman during his term as a Director of the Company since August 2008.

Mr Tanmay Kumar Ganguly, President-Advanced Refractories of the Vesuvius Group, who was the Managing Director of the Company upto December 31, 2014, has been appointed effective from May 7, 2015, as a Director in the casual vacancy caused by the resignation of Mr Nokerman. It is proposed to appoint Mr Ganguly as a Director of the Company and a suitable resolution has been included in the

Notice convening the Annual General Meeting for approval of the Members. Mr Ganguly will be liable to retire by rotation. Details about Mr Ganguly is mentioned in the Notice convening the Annual General Meeting.

Mr Christopher David Abbott, President-Flow Control of the Vesuvius Group, has been appointed as an Additional Director of the Company effective from August 3, 2015. It is proposed to appoint Mr Abbott as a Director of the Company and a suitable resolution has been included in the Notice convening the Annual General Meeting for approval of the Members. Mr Abbott will be liable to retire by rotation. Details about Mr Abbott is mentioned in the Notice convening the Annual General Meeting.

The Board of Directors are of the opinion that the presence of both Mr Ganguly and Mr Abbott, being two most senior personnel in the Vesuvius Group, would bring great value and provide immense support to the Board of Directors and to the Company. Their involvement in the Company reinforces the importance the Vesuvius Group gives to their Indian operations. The Board is therefore recommending the appointment of both Mr Ganguly and Mr Abbott as Directors of the Company.

Mr Biswadip Gupta, Mr Sudipto Sarkar and Miss Nayantara Palchoudhuri, Independent Directors of the Company, have had a separate meeting on November 7, 2015 to review the performance of Independent Directors and Board as a whole and assess the quality, quantity and timeliness of flow of information from the Company management to the Directors. Mr Sudipto Sarkar and Miss Nayantara Palchoudhuri met separately to review the

HeaTt Module 3 Training in Flow Control Systems at Kolkata Plant facilitated by Marcus Gassmann & Frank Montegu.



Mr T V Narendran, MD of Tata Steel at Vendor Expo Stall organised for 5 top rated vendors of Tata Steel

Report of The Directors (Contd.)

performance of the Chairman. The overall outcome was that the Board and its individual Directors are performing effectively and that the Board is well supported and diversified and presents an open forum for debate and discussion and that the strategies approved by the Board have produced results even during these weak business environment.

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 all the conditions specified in the Companies Act, 2013 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 VIII** 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.

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, Clause 49(III)(D)(4)(a) of the listing agreement with Stock Exchanges (applicable upto November 30, 2015) and provisions of SEBI-LODR and in the preparation of the annual accounts for the year ended on December 31, 2015 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 three 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
- b) Mr Taposh Roy, Company Secretary
- c) Mr Sanjoy Dutta, Chief Financial Officer

Remuneration and other details of the Key Managerial Personnel for the year ended December 31, 2015 are mentioned in the Extract to the Annual Return in Form MGT-9 which is attached as **Annexure IV** 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 non-executive independent directors, three non-executive non-resident directors representing the holding company and the Managing Director.

The non-executive non-resident Directors 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. 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, 2015, 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, 2015 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. Mr Taposh Roy, 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 also notified to the Stock Exchanges.

Mr Subrata Roy, Managing Director and Mr Sanjoy Dutta, 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, 2015 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, 2015, which is attached as **Annexure VIII** and forms a part of this Report of the Directors.

In compliance with SEBI-LODR, new Listing Agreements as per revised format with BSE Limited and National Stock Exchange of India Limited were executed on December 3, 2015.



A seminar to promote Health and Safety as a continuous business focus was conducted at JSW Dolvi in collaboration with their Operation and Health & Safety team. Senior Officials from JSW Dolvi with Hugh Maxwell at this session.



Audit Committee

The Audit Committee was constituted on October 24, 2000. The Committee as on December 31, 2015 comprises Mr Biswadip Gupta as Chairman and Mr Christopher Abbott, Mr Tanmay Ganguly Miss Nayantara Palchoudhuri and Mr Sudipto Sarkar as Members. The Company Secretary is the Secretary of the Committee. The Managing Director and Chief Financial Officer are permanent invitees to the meeting. The 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 has 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, 2015 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, 2015 comprises Mr Biswadip Gupta as Chairman and Mr Tanmay Ganguly, Miss Nayantara Palchoudhuri, Mr Subrata Roy and

Report of The Directors (Contd.)

Mr Sudipto Sarkar. Mr Arunava Maitra, Chief HR Officer, is the Secretary of the Committee.

The Corporate Social Responsibility Policy, which was approved by the Board on November 10, 2014, 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, 2015 are given separately in the attached Corporate Governance Report.

The Annual Report on Corporate Social Responsibility is attached as **Annexure VII**. 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 having all India presence to provide CSR support jointly with the employees of the Company to CSR projects not only where the Company's factories are based but also around steel plants and other locations where the Company operates. These meetings have remained inconclusive as good quality CSR activities as per the Company's CSR Policy having a strong bearing on the society's needs were not immediately available. As a result the Company could only spend about Rs 10 lakhs during the year and expects that in the next year more CSR activities will be approved and undertaken.

Nomination and Remuneration Committee

A Nomination and Remuneration Committee was constituted on April 29, 2014 and the members as on December 31, 2015 are Mr Sudipto Sarkar as Chairman and Mr Biswadip Gupta, Mr Christopher Abbott, Mr Tanmay Ganguly and Miss Nayantara Palchoudhuri as Members. The Company Secretary is the Secretary 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, 2015 are given separately in the attached Corporate Governance Report.

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 and the listing agreements with Stock Exchanges, 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, 2015 are Mr Biswadip Gupta as Chairman, Mr Christopher Abbott, Mr Tanmay Ganguly, Miss Nayantara Palchoudhuri, Mr Subrata Roy and Mr Sudipto Sarkar as Members. 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 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 and all compliances under the Companies Act, 2013, the listing agreement with Stock Exchanges and SEBI-LODR. Details of the number and dates of meetings of this Committee which were held during the year ended on December 31, 2015, 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 2.13 % of share capital are held in physical mode by 3040 Shareholders as on December 31, 2015.

Investor Education and Protection Fund

In compliance with the provisions of section 205A of the Companies Act, 1956, a sum of Rs 381,694/- being the dividend lying unclaimed out of the eleventh

dividend declared by the Company for the year ended December 31, 2007 at the Annual General Meeting held on April 29, 2008 was transferred to the Investor Education and Protection Fund of the Central Government in June 2015, after giving several notices and reminders to the concerned shareholders.

Dividend which remains unclaimed out of the twelfth dividend declared by the Company for the year ended on December 31, 2008 at the Annual General Meeting held on April 28, 2009 will be transferred to the Investor Education and Protection Fund of the Central Government by June, 2016 pursuant to the provisions of section 205A of the Companies Act, 1956. Thereafter no claim shall lie on these dividend from the shareholders. Individual notices have already been sent to the shareholders concerned on February 12, 2016.

Notices dated January 30, 2016 have been sent to all members concerned reminding them to encash their unclaimed dividend.

List of Shareholders whose dividend remain unclaimed till date of AGM held on 07.05.2015 have been uploaded in the website of the Company www.vesuviushindia.com under heading "Investor Information" => "Dividend History & Unpaid Dividend". Shareholders are requested to check their unpaid dividend from this list and contact the Registrars and Share Transfer Agents to encash these unpaid dividends.

Auditors

M/s B S R & Co. LLP, Chartered Accountants, had been appointed Auditors of the Company at the Annual

General Meeting held on May 7, 2015 to hold office for a period of two years until the conclusion of the 26th Annual General Meeting, subject to their appointment being ratified at the 25th Annual General Meeting. At the ensuing Annual General Meeting M/s B S R & Co LLP are eligible to continue as Auditors and the Board recommends that their appointment be ratified by the Members at the next Annual General Meeting in compliance with the provisions of section 139 of the Companies Act, 2013.

The Auditors have submitted their Independent Auditors Report on the financial statements of the Company for the year ended on December 31, 2015 and they have made no qualification, reservation or adverse remark or disclaimer in their Report.

Secretarial Audit

A Secretarial Audit was conducted by the Secretarial Auditor, Mr Anjan Kumar Roy 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 Auditor's Report is attached as **Annexure III** and forms a part of this Report of the Directors. There are no qualifications or observations or remarks made by the Secretarial Auditor in his Report.

Fixed Deposits

The Company has not accepted any deposits from the public, and as such, there are no outstanding



“Par Excellence” rating Award - the highest level of honour in National Convention on Quality Concepts, 2015, in the category of Case Study Presentations as Allied Team Concepts.

Report of The Directors (Contd.)

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.

Provisions of section 186 of the Companies Act, 2013 are not applicable to loans to employees.

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

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. Transactions have been held during the year with some of the related parties, details of which are mentioned in the Annual Report in accordance with the Accounting Standards 18 on Related Party Disclosures notified by the Companies (Accounting Standards) Rules, 2006. All these 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 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 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, 2015 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 V** 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 VI** and forms a part of this Report of the Directors.

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 requested Miss Nayantara Palchoudhuri, Director, to be an Adviser to the Committee. The Prevention of Sexual Harassment Policy was also approved by the Board and all employees, specially women employees, were made aware of the Policy and the manner in which complaints could be lodged. The Committee submitted their first 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 :

- Number of complaints of sexual harassment received in the year: Nil
- Number of complaints disposed off during the year: Nil
- Number of cases pending for more than ninety days: Nil
- Number of workshops or awareness programme against sexual harassment carried out : Two
- Nature of action taken by the employer or District Officer: Not Applicable

Policies Approved by the Board

During the year the following policies were approved by the Board and copies of these policies are attached as per Annexure referred to below :

Policy	Date of Board meeting where approved	Whether uploaded on Company's website	Annexure Number
Risk Management Policy	May 7, 2015	YES	IX
Insider Trading Code	May 7, 2015	YES	X
Insider Trading Fair Disclosure Code	May 7, 2015	YES	XI
Prevention of Sexual Harassment Policy	August 3, 2015	NO	XII
Materiality and Dealing with Related Party Transactions	November 7, 2015	YES	XIII

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 from Practicing Company Secretary on Corporate Governance Report
III	Secretarial Audit Report
IV	Extract of the Annual Return in Form MGT-9
V	Prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
VI	Particulars of Employees
VII	Annual Report on Corporate Social Responsibility
VIII	Managing Director's Certificate under regulation 34(3) read with Part D of Schedule V of SEBI-LODR on compliance of Code of Conduct
IX	Risk Management Policy
X	Insider Trading Code
XI	Insider Trading Fair Disclosure Code
XII	Prevention of Sexual Harassment Policy
XIII	Materiality and Dealing with Related Party Transactions

Human Resources Management & Health, Safety and Environment

People are considered to be one of most valuable resources and the Company recognizes that working environment motivate employees to be productive and innovative. The continuous leadership and technical training courses 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.

Employees were encouraged to participate in sports activities. A cricket competition had been organized

during the year which the employees gleefully participated. Other tournaments like table tennis and badminton were also organised. The Company had 435 employees as on December 31, 2015.

Our intense focus on Health & Safety as a primary and mainstream responsibility for all our employees is out of our care and concern for our people, our customers and our business associates. The Turbo-S programme was launched to align our operations with these fundamentals to focus on enhancing personnel safety. Much work has gone into making operations safer by implementation of standards for vehicle and machine safety, ergonomics initiatives, wearing protective equipment, regular safety audits etc.

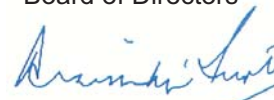
Also managing environment impact is a matter of priority and therefore continuous care for the environment, responsible disposal of wastes and development of local co-operatives are engaged into.

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



Biswadip Gupta
CHAIRMAN

Kolkata
February 26, 2016



Best Technician Award

Cricket competition winning team



Best Contract Partner Award
from Tata Steel

Annexure - I : Corporate Governance Report - 2015

This Corporate Governance Report relating to the year ended on December 31, 2015 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 the core 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, 2015 and on February 26, 2016 consists 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 Christopher David Abbott (DIN : 07276608)	Additional Director, Non-Executive Director	Nominee of the holding company. Appointed Additional Director effective from August 3, 2015
Mr Tanmay Kumar Ganguly (DIN : 01272338)	Non-Executive Director	Nominee of the holding company. Appointed Director effective from May 7, 2015 in the casual vacancy caused by resignation of Mr Yves Nokerman
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 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 Francois Clement Wanecq (DIN : 01272269)	Non-Executive Director	Nominee of the holding company. Not liable to retire by rotation.

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

2.2. Details of the Directors

At the Extra-Ordinary General Meeting held on March 27, 2015, Miss Nayantara Palchoudhuri was appointed an Independent Director of the Company for a period of 5 years effective from March 27, 2015. With her appointment the Company has one Woman Director on the Board. At the same meeting Mr Subrata Roy was appointed as Managing Director by the Shareholders for a period of 5 years effective from January 1, 2015. His appointment is subject to retirement by rotation.

Mr Yves M.C.M.G. Nokerman, who was a nominee of the holding company, had resigned from the Vesuvius Group's employment and so had resigned as a Director of the Company and his resignation was accepted effective from May 7, 2015.

Mr Tanmay Kumar Ganguly, President-Advanced Refractories of the Vesuvius Group, had been appointed a Director of the Company effective from May 7, 2015 in the casual vacancy caused by the resignation of Mr Yves M.C.M.G.

Nokerman. He is not a Director of any other company 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. He is proposed to be appointed a Director of the Company at the ensuing Annual General Meeting.

At the Board meeting held on August 3, 2015, Mr Christopher David Abbott, President-Flow Control of the Vesuvius Group, was appointed an Additional Director of the Company and holds office till the ensuing Annual General Meeting. He is not a Director of any other company 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. He is proposed to be appointed a Director of the Company at the ensuing Annual General Meeting.

In compliance with the provisions of section 152 and other applicable provisions of the Companies Act, 2013, Mr Subrata Roy will retire by rotation at the ensuing Annual General Meeting and it is proposed to re-appoint him as a Director of the Company. The personal information about Mr Roy is mentioned in the Directors Report and in the Notice convening the Annual General Meeting and therefore is not mentioned separately in this Report. Upon his re-appointment, Mr Roy will continue to remain the Managing Director of the Company.

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 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 Subrata Roy, Managing Director, is given separately in the Annual Report.

2.4. Shareholding of Directors and Key Managerial Personnel

As on December 31, 2015 following shares of the Company were held by Directors and Key Managerial Personnel of the Company :

Name	Designation	No of shares held as on 31.12.2014
Mr Biswadip Gupta	Chairman	38,749
Mr Sanjoy Dutta	Chief Financial Officer	6,500
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 and Mr Sudipto Sarkar, 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, were constantly updated with information about the company and the industry both national and international. The familiarization program for Miss Nayantra Palchoudhuri was given by Mr Yves M.C.M.G Nokerman, in the presence of Mr Biswadip Gupta, Mr Sudipto Sarkar and Mr Subrata Roy, on February 23, 2015 through detailed presentations on financial results & status of the Company and the Vesuvius Group, internal control systems, industry overview both national and international and proposed expansion plans amongst others. On the same day the Key Managerial Personnel and senior Management team of the Company were introduced to Miss Palchoudhuri and had an interactive session on their respective functions. Miss Palchoudhuri

Corporate Governance Report - 2015 (Contd.)

was also requested by the Board to be the Advisor to the Committee of employees constituted for the Prevention of Sexual Harassment to Women at workplace and at their first meeting held on September 22, 2015 she was introduced to the employees of the Company and visited the factory at Kolkata. In order to provide greater familiarization to all the Independent Directors, and to update them on the recent business activities and expansion plans and it was decided that a Board meeting would also be held at Visakhapatnam where there are two factories and land for a third factory had been acquired.

2.6. Board Meetings, Annual General Meeting and Attendance

During the financial year ended December 31, 2015, four Board meetings were held on February 24, 2015, May 7, 2015, August 3, 2015 and November 7, 2015. The Annual General Meeting was held on May 7, 2015.

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 07.05.2015
	Held	Eligible to attend	Attended		
Mr Biswadip Gupta	4	4	4	140,000	Yes
Mr Christopher Abbott	4	2	1	Nil	NA
Mr Tanmay Ganguly	4	3	1	Nil	NA
Mr Yves Nokerman	4	2	1	Nil	No
Miss N Palchoudhuri	4	3	3	120,000	Yes
Mr Subrata Roy	4	4	4	Nil	Yes
Mr Sudipto Sarkar	4	4	4	140,000	Yes
Mr Francois Wanecq	4	4	1	Nil	Yes

Mr Biswadip Gupta, Chairman of the Audit Committee, and Mr Sudipto Sarkar, Chairman of the Nomination and Remuneration Committee, were present at the Annual General Meeting held on May 7, 2015. 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. Mr Yves Nokerman resigned effective May 7, 2015 (the date of the AGM and the second Board Meeting) and hence did not attend the Annual General Meeting and Board and Committee meetings held on that day.

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 Obligation and Disclosure Requirements) Regulations, 2015 across all companies in India of which he is a Director.

Independent Directors do not serve in more than 7 listed companies. None of the Independent Directors are wholtime directors in any listed Company so the limitations mentioned in Regulation 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are not applicable.

Directorships and membership of Committees held by Directors as on December 31, 2015 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	12	2	2	Nil
Mr Christopher David Abbott	1	Nil	2	2
Mr Tanmay Kumar Ganguly	1	Nil	2	Nil
Miss Nayantra Palchoudhuri	9	Nil	4	Nil
Mr Subrata Roy	1	Nil	1	Nil
Mr Sudipto Sarkar	5	Nil	5	Nil
Mr Francois Clement Wanecq	1	Nil	Nil	1

* Only Audit Committee and Stakeholders Relationship Committee are considered as per Regulation 26(1)(b) of SEBI (Listing Obligation 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 :

- Audit Committee
- Nomination and Remuneration Committee
- Share Transfer and Stakeholders Grievance & Relationship Committee
- 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, 2015 consists of five members namely Mr Biswadip Gupta, Chairman of the Audit Committee, Mr Christopher Abbott, Mr Tanmay Ganguly, Miss Nayantara Palchoudhuri and Mr Sudipto Sarkar. Mr Yves Nokerman who was a Member of this Committee resigned from Board and hence ceased to be a Member of this Committee effective May 7, 2015.

The Managing Director and Chief Financial Officer are permanent invitees in all meetings. 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, the earlier Clause 49(III) of the Listing Agreement with the Stock Exchanges and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) 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 (previously under Clause 49(VI) of the revised Listing Agreement with Stock Exchanges) and therefore a separate Risk Management Committee has not been constituted. The broad terms of reference of the Audit Committee therefore include review 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 December 31, 2015, four meetings of the Audit Committee were held on February 24, 2015, May 7, 2015, August 3, 2015 and November 7, 2015. 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	4	4	4	110,000
Mr Christopher David Abbott	4	2	1	Nil
Mr Tanmay Kumar Ganguly	4	3	1	Nil
Mr Yves M.C.M.G. Nokerman	4	2	1	Nil
Miss Nayantara Palchoudhuri	4	3	3	90,000
Mr Sudipto Sarkar	4	4	4	110,000

* 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 Obligation and Disclosure Requirements) Regulations, 2015. Mr Sudipto Sarkar is the Chairman of the Committee and other members are Mr Christopher Abbott, Mr Biswadip Gupta, Mr Tanmay Ganguly and Miss Nayantara

Corporate Governance Report - 2015 (Contd.)

Palchoudhuri. Mr Yves M.C.M.G. Nokerman and Mr Francois Clement Wanecq ceased to be Members of this Committee from May 7, 2015.

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, the earlier Clause 49(IV) of the revised Listing Agreement with the Stock Exchanges and Regulation 19 of SEBI (Listing Obligation 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 wholtime 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 December 31, 2015, four meetings of the Nomination and Remuneration Committee were held on February 24, 2015, May 7, 2015, August 3, 2015 and November 7, 2015. 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	70,000
Mr Christopher Abbott	4	2	1	Nil
Mr Biswadip Gupta	4	4	4	70,000
Mr Tanmay Ganguly	4	3	1	Nil
Miss Nayantara Palchoudhuri	4	3	3	60,000
Mr Francois Clement Wanecq	4	1	Nil	Nil

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

4.4 Performance Evaluation of Directors

A performance evaluation of each Independent Director of the Company was done by the Board of Directors on November 7, 2015. The attendance, participation and contributions of each Independent Directors not only during the proceedings of meetings of the Directors but also beyond meeting hours were appreciated. The knowledge, experience and advice shared by the Independent Directors from time to time have ensured governance and good conduct, adherence to laws, mitigating risks and growth even during these difficult business environment. The overall outcome from the evaluation was that the Board and its individual Directors were performing effectively.

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. The non-resident Non-executive Directors have waived their commission on net profits for the year and waived their sitting fees for all meetings attended by them during 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 December 31, 2015 is given below :

Name of Director	Period	Sitting Fees Rs.	Commission Rs	Total Rs
Mr Biswadip Gupta	Full year	355,000	900,000	1,255,000
Mr Christopher Abbott	Wef 3.8.2015	Nil	Nil	Nil
Mr Tanmay Ganguly	Wef 7.5.2015	Nil	Nil	Nil
Mr Yves M.C.M.G. Nokerman	Upto 7.5.2015	Nil	Nil	Nil
Miss Nayantara Palchoudhuri	Wef 27.3.2015	305,000	525,000	830,000
Mr Sudipto Sarkar	Full year	355,000	700,000	1,055,000
Mr Francois Clement Wanecq	Full year	Nil	Nil	Nil

- 5.3. Total Remuneration paid to Mr Subrata Roy, Managing Director, for the year ended December 31, 2015 is given below :

Particulars	Amount Paid Rs
Salary and Allowances	8,898,000
Leave encashment	2,486,564
Performance Incentive	1,414,324
Perquisites and other payments	566,203
Contribution to Retirement Funds	1,210,128
Total for year ended 31.12.2015	14,575,219

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, 2015 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

The Committee met only once during the year on November 7, 2015. 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	Attended	
Mr Biswadip Gupta	1	1	15,000
Mr Tanmay Kumar Ganguly	1	Nil	Nil
Miss Nayantara Palchoudhuri	1	1	15,000
Mr Subrata Roy	1	1	Nil
Mr Sudipto Sarkar	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, the Listing Agreement with Stock Exchanges and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on December 31, 2015, 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 :** Mr Taposh Roy, Company Secretary, is the Secretary of this Committee and the Compliance Officer and his contact details are given below :

Mr Taposh Roy, Company Secretary
Vesuvius India Limited
P-104 Taratala Road, Kolkata 700 088
West Bengal, India
Phone : (033) 3041 0600 ; 3041 0611
Fax : (033) 2401 1235 ; 2401 3976
Email : Taposh.Roy@vesuvius.com

- 7.3. **Attendance :** During the financial year ended December 31, 2015, two meetings of the Committee were held on May 7, 2015 and December 31, 2015. 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 Christopher Abbott	2	1	Nil	Nil
Mr Tanmay Kumar Ganguly	2	2	1	Nil
Miss Nayantara Palchoudhuri	2	2	2	20,000
Mr Subrata Roy	2	2	2	Nil
Mr Sudipto Sarkar	2	2	2	20,000

Corporate Governance Report - 2015 (Contd.)

7.4. Pledge of shares : No pledge has been created over the Equity Shares held by the Promoters as on December 31, 2015.

7.5. Details of Complaints from Shareholders :

No. of complaints remaining unresolved as on 01.01.2015 :	Nil
No. of complaints received during the year :	1
No. of complaints resolved during the year :	1
No. of complaints unresolved as on 31.12.2015 :	Nil

7.6. Details of share transfers during the year :

No. of valid share transfer applications received :	33
No. of share transfer applications processed & registered :	33
No. of shares transferred :	4,933
No. of pending share transfers as on 31.12.2015 :	Nil
No. of shares dematerialised to NSDL :	11,602
No. of shares dematerialised to CDSL :	8,502
No. of shares rematerialised :	1

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
22nd	31.12.2012	G D Birla Sabhaghar, 29 Ashutosh Chowdhury Avenue, Kolkata 700 019	25.04.2013	10.30 a.m.
23rd	31.12.2013	- do -	29.04.2014	10.30 a.m.
24th	31.12.2014	Williamson Magor Hall, The Bengal Chamber of Commerce & Industry, 6 Netaji Subhas Road, Kolkata 700 001	07.05.2015	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 25th Annual General Meeting to be held on May 7, 2015 no resolution is proposed to be passed by 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 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 of the Central Government 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. In compliance with Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 the Company sends intimation to all members concerned 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 concerned Shareholders two months before the due date of transfer of unclaimed dividend to the Investor Education and Protection Fund of the Central Government.

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; 40116720; 40116725 and 40116729

Fax : (033) 4011 6739 **Email :** rta@cbmsl.com

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 700 088 or sent by email at **Taposh.Roy@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 concerned 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 25th Annual General Meeting of the Company will be held on Wednesday, May 4, 2016 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, 2015.

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. Book Closure Period, Record Date and Cut Off Date:

10.3.1. The **Book Closure period**, in respect of shares held in physical form, is **April 28, 2016 to May 4, 2016** (both days inclusive) for determining those who will be entitled to receive dividend to be declared at the ensuing Annual General Meeting.

10.3.2. **Record Date** in respect of shares held in dematerialised form, is **April 27, 2016** for determining those who will be entitled to receive dividend to be declared at the ensuing Annual General Meeting.

10.3.3. **Cut Off Date** is **April 27, 2016** 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 25th Annual General Meeting will be made through electronic voting. The electronic voting period will be **from 9.00 a.m. on April 30, 2016 to 5.00 p.m. on May 3, 2016**, both days inclusive.

10.4.2. No special resolution is proposed to be conducted through postal ballot or electronic voting.

Corporate Governance Report - 2015 (Contd.)

10.4.3. **Scrutiniser for electronic voting** : Mr Anjan Kumar Roy, Proprietor of Anjan Kumar Roy & Co, Practicing Company Secretaries (Membership No. FCS 5684 and C.P No 4557) has been appointed as the Scrutiniser to scrutinise the electronic voting process 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 6.25/- per share of nominal value Rs 10/- each has been recommended by the Board of Directors for the year ended on December 31, 2015, 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 May 9, 2016 and payment of dividend will be made within May 15, 2016.

10.6 Listing on Stock Exchanges : The shares of the Company are listed with the following stock exchanges :

- BSE Limited
(Stock Code : 520113)
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001
- 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 January 1, 2015 to December 31, 2015 :

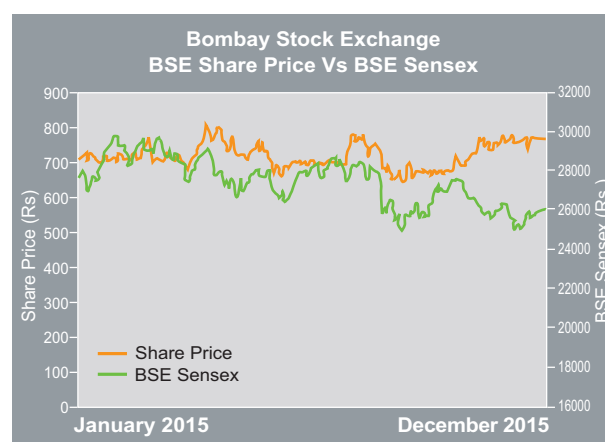
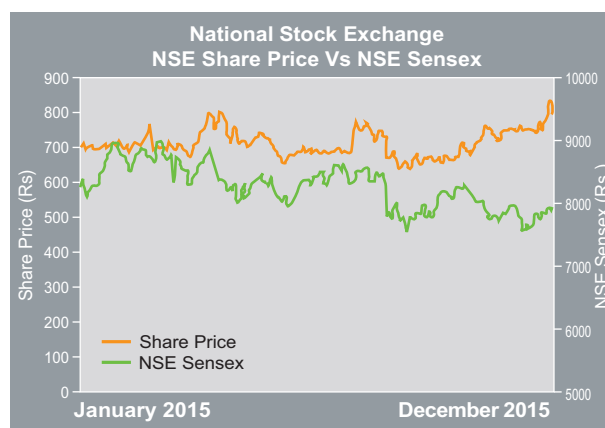
Month	High Rs.	Low Rs.	NSE Volume
January	718.80	692.70	30698
February	767.75	690.80	47241
March	714.90	673.05	39387
April	796.60	715.55	59426
May	756.30	708.40	72365
June	701.05	658.90	50057
July	769.75	684.90	62074
August	770.80	663.10	111143
September	684.05	641.90	32053
October	714.55	660.45	33144
November	763.55	711.00	37235
December	834.55	743.50	111568

(ii) **Bombay Stock Exchange** - Market Price and Volume during the period January 1, 2015 to December 31, 2015:

Month	High Rs.	Low Rs.	NSE Volume
January	720.90	692.60	17524
February	763.75	694.25	22718
March	717.00	676.00	42806
April	795.75	714.75	23005
May	765.25	704.75	19454
June	705.00	658.25	32409
July	769.50	685.00	33205
August	770.75	664.50	46277
September	690.75	640.00	30054
October	712.25	656.25	10292
November	767.50	705.75	17802
December	830.75	731.25	24058

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;
40116720; 40116725 and 40116729
Fax : (033) 4011 6739
Email : rta@cbmsl.com
Web site : www.cbmsl.com
Contact persons : Mr Shankar Ghosh
Mr Chandrasekhar Deb
Mr Kuntal Mustafi

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, 2015 :

Shares held	Number of Shareholders	%	Number of Shares held	%
1 - 500	11,231	94.32	1,106,896	5.45
501 - 1000	311	2.61	239,862	1.18
1001 - 5000	272	2.28	620,812	3.06
5001 - 10000	39	0.33	294,076	1.45
10001 and above	54	0.46	18,034,434	88.86
Total	11,907	100.00	20,296,080	100.00

Shares held	Number of Shareholders	%	Number of Shares held	%
In Physical mode	3,040	25.53	431,454	2.13
Demat with NSDL	6,641	55.77	19,477,873	95.97
Demat with CDSL	2,226	18.70	386,753	1.90
Total	11,907	100.00	20,296,080	100.00

10.12 Shareholding pattern as on December 31, 2015 :

Particulars	Number of Shares held	%
Vesuvius Group Limited, U.K.	11,277,650	55.57
Foreign Institutional Investors	304,049	1.50
Non Resident Indians	125,097	0.62
Foreign Portfolio Investor	2,120,570	10.45
Indian Financial Institutions	2,983	0.01
Nationalised & other Banks and Mutual Funds	3,073,598	15.14
Bodies Corporate	895,312	4.41
Individuals & Others	2,478,125	12.21
Clearing member with Depositories	18,696	0.09
Total	20,296,080	100.00

10.13 Top ten Shareholders :

Particulars	Number of Shares held	%
Vesuvius Group Limited, U.K.	11,277,650	55.57
HDFC Trustee Company Ltd		
-A/c HDFC Mid-Cap Opportunities Fund	11,11,500	5.48
Reliance Capital Trustee Co Ltd		
- A/c Reliance Tax Saver Fund (ELSS)	7,47,900	3.68
ACACIA Institutional Partners, LP	7,44,050	3.67
ACACIA Partners, LP	7,33,400	3.61
HDFC Trustee Company Ltd		
-A/c HDFC Long Term Advantage Fund	4,98,950	2.46
UTI-Mid Cap Fund	2,78,915	1.37
Catamaran Management Services Pvt Ltd	2,76,078	1.36
ACACIA Conservation Fund LP	2,40,745	1.19
ACACIA Banyan Partners	2,31,505	1.14
Total	1,61,40,693	79.53

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 381,694/- lying unclaimed in the eleventh Dividend Account relating to the year ended December 31, 2007 which had been declared at the Annual General Meeting of the Company held on April 29, 2008, was transferred in June, 2015 to the Investor Education and Protection Fund of the Central Government after giving final reminder notices on February 12, 2015 to all concerned Shareholders.

10.15 Unclaimed Dividend :

Notices pursuant to Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 regarding dividend lying unclaimed, have been sent to all shareholders concerned on January 30, 2016. Final notices dated February 12, 2016 has been sent to those Shareholders whose dividend relating to the year ended December 31, 2008 are still lying unclaimed as these dividends will be transferred to Investor Education and Protection Fund of the Central Government in June 2016.

10.16 Unclaimed Shares

As on December 31, 2015 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 sub-clause (g) of Clause 5A of Listing Agreements and Regulation 34(3) read with Clause F of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are therefore not applicable.

Corporate Governance Report - 2015 (Contd.)

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 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 (Employee Concern Helpline) which is also available on the Company's website www.vesvuviusindia.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 has been denied access to the Audit Committee to lodge their grievances.
- 11.4.** 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.

- 11.5.** The Management Discussion and Analysis Report forms a part of the Directors' Report.
- 11.6.** No presentations were made to institutional investors and analysts during the year.
- 11.7.** The Company does not have any subsidiary therefore corresponding disclosures have not been made.
- 11.8.** 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.
- 11.9.** 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.vesvuviusindia.com
- 11.10.** Other items which are not applicable to the Company have not been separately commented upon.

For and on behalf of the
Board of Directors



Biswadip Gupta
CHAIRMAN

Kolkata
February 26, 2016

Annexure - II : Certificate on Corporate Governance

ANJAN KUMAR ROY & CO.

COMPANY SECRETARIES

CERTIFICATE ON CORPORATE GOVERNANCE

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 its registered office at P-104, Taratala Road, Kolkata - 700 088 (hereinafter called the company) during the Financial Year ended 31st December, 2015, as per the provisions of clause 49 of the Standard Listing Agreement of Stock Exchanges read with the relevant provisions of the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, read with other applicable provisions of law as and to the extent applicable during the aforesaid period.
- B. That our audit is an independent audit of compliance of corporate governance norms and procedures as mentioned above 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 : 26/02/2016

Annexure - III : Secretarial Audit Report

ANJAN KUMAR ROY & CO.

COMPANY SECRETARIES

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST December, 2015

[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,
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). Secretarial Audit was conducted 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, 2015, 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, 2015 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, 1992; as reenacted;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - 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; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, to the extent as applicable.
- (vi) and other laws specifically applicable to the Company being:-
- I. Hazardous Wastes (Management and Handling) Rules, 2008 and
 - II. Public Liability Insurance Act, 1991.

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 Bombay Stock Exchange 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 members' views 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.
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 : 26/02/2016

Annexure - III : Secretarial Audit Report (Contd.)

ANJAN KUMAR ROY & CO. **COMPANY SECRETARIES**

‘Annexure A’ **(To the Secretarial Audit Report of M/s. Vesuvius India Limited** **for the financial year ended 31/12/2015)**

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

Our Secretarial Audit Report for the financial year ended 31/12/2015 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 procedure 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 : 26/02/2016

Annexure - IV : Form No. MGT - 9

Extract of Annual Return

as on the financial year ended on December 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2015]

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 :
 v) Address of Registered Office : P-104 Taratala Road, Kolkata 700 088, West Bengal, INDIA
 and contact details : 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 : M/s C B Management Services (P) Limited
 of Registrar and Transfer Agent : P-22 Bondel Road, Kolkata 700 019, West Bengal, INDIA
 Phone : +91 33 40116700/ 6711/ 6718/ 6723 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	96.43 %
2	Services		3.57 %

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

Annexure - IV : Form No. MGT - 9

Extract of Annual Return (Contd.)

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									
b) Other- Individuals									
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	3011165	1000	3012165	14.84	3071628	800	3072428	15.14	0.30
b) Banks / Financial Institutions	934	400	1334	0.01	3553	600	4153	0.02	0.01
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			0	0.00			0	0.00	0.00
g) Foreign Institutional Investors (FII)	2480694	0	2480694	12.22	303969	0	303969	1.50	-10.72
h) Foreign Venture Capital Funds			0	0.00			0	0.00	0.00
i) Others (Specify)			0	0.00			0	0.00	0.00
Sub-total (B) (1) :	5492793	1400	5494193	27.06	3379150	1400	3380550	16.65	-10.41
2) Non-Institutions									
a) Bodies Corporates									
i) Indian	829351	61296	890647	4.39	834116	61196	895312	4.41	0.02
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 1 lakh	1613195	348781	1961976	9.67	1592858	328778	1921636	9.47	-0.20
ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	500960	20000	520960	2.57	536289	20000	556289	2.74	0.17
c) Others (specify)									
1. NRI	93859	20000	113859	0.56	105097	20000	125097	0.62	0.06
2. Clearing Member	2020	0	2020	0.01	18696	0	18696	0.09	0.08
3. OCB	0	80	80	0.00	0	80	80	0.00	0.00
4. Trust	200	0	200	0.00	200	0	200	0.00	0.00
5. Foreign Portfolio Investor	34495	0	34495	0.17	2120570	0	2120570	10.45	10.28
Sub-total (B) (2) :	3074080	450157	3524237	17.37	5207826	430054	5637880	27.79	10.41
Total Public Shareholding (B)	8566873	451557	9018430	44.43	8586976	431454	9018430	44.43	0.00
(B) = (B)(1) + (B)(2)									
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)	19844523	451557	20296080	100.00	19864626	431454	20296080	100.00	0.00

(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		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
	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	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	NO CHANGE DURING THE YEAR			
	c) At the end of the year			1111500	5.48
2	ACACIA Institutional Partners, LP				
	a) At the Beginning of the Year	744050	3.67		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the year			744050	3.67
3	ACACIA Partners, LP				
	a) At the Beginning of the Year	733400	3.61		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the year			733400	3.61
4	ACACIA Conservation Fund LP				
	a) At the Beginning of the Year	240745	1.19		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the year			240745	1.19
5	ACACIA Banyan Partners				
	a) At the Beginning of the Year	231505	1.14		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the year			231505	1.14
6	Grandeur Peak Emerging Markets Opportunities				
	a) At the Beginning of the Year	171200	0.84		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the year			171200	0.84
7	HDFC Trustee Company Ltd - HDFC Long Term Advantage Fund				
	a) At the Beginning of the Year	498950	2.46		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the year			498950	2.46
8	UTI-MID CAP Fund				
	a) At the Beginning of the Year	278915	1.37		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the year			278915	1.37

Annexure - IV : Form No. MGT - 9

Extract of Annual Return (Contd.)

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
9	Reliance Capital Trustee Co Ltd - A/c Reliance Tax Saver Fund				
	a) At the Beginning of the Year	722801	3.56		
	b) Changes during the Year				
	Date Reason				
	27.02.2015 Buy	4498	0.62	727299	3.58
	10.04.2015 Buy	1961	0.27	729260	3.59
	12.06.2015 Buy	1000	0.14	730260	3.60
	19.06.2015 Buy	5240	0.72	735500	3.62
	26.06.2015 Buy	2775	0.38	738275	3.64
	30.06.2015 Buy	525	0.07	738800	3.64
	03.07.2015 Buy	2300	0.31	741100	3.65
	10.07.2015 Buy	3300	0.45	744400	3.67
	17.07.2015 Buy	1575	0.21	745975	3.68
	24.07.2015 Buy	950	0.12	746925	3.68
	31.07.2015 Buy	975	0.12	747900	3.68
	c) At the end of the year			747900	3.68
10	Catamaran Management Services Pvt Ltd				
	a) At the Beginning of the Year	254773	1.26		
	b) Changes during the Year				
	Date Reason				
	09.10.2015 Buy	314	0.12	255087	1.26
	16.10.2015 Buy	80	0.03	255167	1.26
	04.12.2015 Buy	767	0.03	255934	1.26
	11.12.2015 Buy	6497	2.54	262431	1.29
	18.12.2015 Buy	2736	1.04	265167	1.31
	31.12.2015 Buy	10911	4.11	276078	1.36
	c) At the end of the year			276078	1.36

(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	NO CHANGE DURING THE YEAR			
	c) At the end of the year			38749	0.191
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	NO CHANGE DURING THE YEAR			
	c) At the end of the year			3300	0.016
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

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 01.01.2015				
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 31.12.2015				
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 Rs	Total Amount Rs
1	Gross Salary		
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	12798888	12798888
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	566203	566203
(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)	13365091	13365091
	Ceiling as per the Act		57098540

Annexure - IV : Form No. MGT - 9

Extract of Annual Return (Contd.)

B. Remuneration to other Directors :

Sl No	Particulars of Remuneration	Names of the Directors			Total Amount Rs
		Biswadiw Gupta	Sudipto Sarkar	Nayantara Palchoudhuri	
Independent Directors					
	Fee for attending Board/Committee meetings	355000	355000	305000	1015000
	Commission	900000	700000	525000	2125000
	Others, please specify	0	0	NA	NA
	Total (1)	1255000	1055000	830000	3140000

Sl No	Particulars of Remuneration	Names of the Directors				Total Amount Rs
		Christopher Abbott	Tanmay Ganguly	Yves Nokerman	Francois Wanecq	
Other Non-Executive Directors						
	Fee for attending Board/Committee meetings	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
Total Managerial Remuneration (B) = (1+2)						3140000
Overall Ceiling as per the Act						11419708

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB

Sl No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	Chief Financial Officer	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	NA	5176858	9774061	14950919
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NA	386100	994314	1380414
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NA	0	0	0
2	Stock Option	NA	0	0	0
3	Sweat Equity	NA	0	0	0
4	Commission - As a % of Profit	NA	0	0	0
	- Others , specify	NA	0	0	0
5	Others, please specify	NA	0	0	0
	TOTAL (A)		5562958	10768375	16331333

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 - V : Prescribed Particulars on Conservation of Energy, Technology Absorption and Foreign Exchange

Information 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:

During the year significant savings have been made through energy usage optimization programs at manufacturing units. All manufacturing facilities have improved the specific energy consumption in major areas of manufacturing. Lower fuel costs have added to the savings. Energy management continues to be a focus area in operations throughout the year. The heat recuperating kiln installed in the past is under full utilization.

- (ii) the steps taken by the company for utilising alternate sources of energy:

Lower cost fuels and energy sources which improve specific energy consumption are alternatively used in the manufacturing process. CFL lighting, turbo ventilators and other such low energy consumption items are used.

- (iii) the capital investment on energy conservation equipment:

Rs 125 lakhs has been incurred on energy saving equipment during the year.

B. Technology absorption :

- (i) the efforts made towards technology absorption :

Technology has been used for monitoring breakthrough at blast furnaces and also for continuous temperature measurement devices during continuous casting process. The modern tundish slidegate with tube changer deliver better refractory performance, making the steel plant capable of doing higher tundish sequences, thereby leading to major cost savings. Hydramax IR, a high performance trough mix with 25% improved performance over regular mixes, and technology for Kellundite, a high-performing neutral ramming mass for core-less induction furnaces, has been well taken by customers.

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

There have been import substitution and consistent quality of our products which conform to accepted international standards. These technology have also assisted in indigenising the components and raw material inputs and increased productivity. New technology and improvements on existing technology supplied to customers benefit them in their operations as well as reduce their costs. Customers have also benefited immensely by improved performance, lower shutdown time and savings on energy.

- (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
Stopper with calibrated pipe	2010	Yes, fully commercialised
Semi-terrace port Sub-entry Nozzle	2010	Yes, fully commercialised
Pumpcast application technology	2010	Yes, fully commercialised
Device for Monitoring of breakthrough in blast furnace	2015	Yes, fully commercialised

- (iv) the expenditure incurred on Research and Development :The Company does not have a Research and Development unit or any activity related to R&D in India. The Company does not incur any revenue or capital expenditure on R&D. All R&D support are received from the Vesuvius Group.

C. Foreign exchange earnings and Outgo :

Foreign Exchange earned in terms of actual inflows during the	:	Rs 3048 lakhs
Foreign Exchange during the year in terms of actual outflows	:	Rs 21942 lakhs
		(including dividend remittance)

Annexure - VI : Particulars of Employees

FOR THE YEAR ENDED ON DECEMBER 31, 2015

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
Employed during the year and in receipt of remuneration aggregating Rs. 6,000,000/- per annum or more								
Saibal Bandyopadhyay	45	Nil	Chief Operations Officer	67,20,644	M.Tech (Polymer Science)	20	12.12.1995	First employment
Sudarshan Das	50	3500	Chief Sales & Marketing Officer	91,89,797	BE (Metallurgy)	26	09.04.2007	Pyrotek Inc, Canada, Sales Manager [India & Other Asia]
Sanjoy Dutta	54	6500	Chief Financial Officer	1,17,65,547	B.Com (Hons), ACA	29	24.06.1998	ICI India Ltd, Financial Controller
U K Shashi Kumar	45	800	Chief-Flow Control Sales	64,57,223	B.Tech(Metallurgy)	23	06.09.1994	Murugappa Morgan Thermal Ceramics Ltd, Sales Officer
Bikash Nandi	47	Nil	Chief-Advanced Refractory Sales	80,18,437	B.Tech(Ceramic Engg))	24	01.07.2000	Carborundum Universal Ltd, Assistant Manager
Subrata Roy	50	Nil	Managing Director	1,45,75,219	BE (Mechanical)	28	06.09.1993	BHEL, Sr Engineer
Taposh Roy	54	1	Company Secretary	61,33,178	B.Com (Hons), ACA, FCS	30	01.02.2001	BOC India Ltd, Company Secretary

- 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.

**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3(q)) OF THE COMPANIES ACT, 2013
READ WITH RULE 5(1) 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 B Gupta - 97% Mr C D Abbott - NA Mr T Ganguly - NA Mr Y Nokerman - NA Miss N Palchoudhuri - 64% Mr S Roy - 1130% Mr S Sarkar - 82% Mr F Wanecq - 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 B Gupta - 34% Mr C D Abbott - NA Mr T Ganguly - NA Mr Y Nokerman - NA Miss N Palchoudhuri -NA Mr S Roy - NA Mr S Sarkar - 48% Mr F Wanecq - NA Mr S Dutta, CFO - 7% Mr T Roy, CS - 6%
(iii) the percentage increase in the median remuneration of employees in the financial year;	: 9 %
(iv) the number of permanent employees on the rolls of company;	: 435 employees as on 31.12.2015
(v) the explanation on the relationship between average increase in remuneration and company performance;	: Average increase of all employees in remuneration was 9.8% for the year 2015 which is based partly on the results of the Company for the year ended 31.12.2014 and partly on the individual employee's performance. Total sales in year 2014 had increased by 8% over previous year.
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	: The increase in remuneration of the Chief Financial officer and Company Secretary are below the average increase in remuneration of the employees of the Company. Managing Director was appointed on 1.1.2015 and his remuneration is based on responsibilities taken up by him.

Annexure - VI : Particulars of Employees (Contd.)

Requirements of Rule 5(1)	Details																
(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	: <table><thead><tr><th></th><th>As on 31.12.2014</th><th>As on 31.12.2015</th><th>% increase</th></tr></thead><tbody><tr><td>Share price :</td><td></td><td></td><td></td></tr><tr><td>BSE</td><td>Rs 699.35</td><td>Rs 801.75</td><td>15%</td></tr><tr><td>NSE</td><td>Rs 706.90</td><td>Rs 799.35</td><td>13%</td></tr></tbody></table> <p>The Company has not made any Public Issue or Rights issue of securities in the last 15 years</p> <p>The Company's shares are listed on Bombay and National Stock Exchanges</p>		As on 31.12.2014	As on 31.12.2015	% increase	Share price :				BSE	Rs 699.35	Rs 801.75	15%	NSE	Rs 706.90	Rs 799.35	13%
	As on 31.12.2014	As on 31.12.2015	% increase														
Share price :																	
BSE	Rs 699.35	Rs 801.75	15%														
NSE	Rs 706.90	Rs 799.35	13%														
(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;	: <p>Salary increase of non-managerial persons is 10 %</p> <p>Salary increase of non-managerial persons is 8.80 %</p> <p>There are no exceptional circumstances in increase in managerial remuneration. Management persons have availed of leave encashment during the year</p>																
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	: Same as in (vi) above																
(x) The key parameters for any variable component of remuneration availed by the directors;	: <p>There are no variable component in the Managing Director's remuneration.</p> <p>For non-executive resident directors, commission is paid on a fixed basis and additional variable commission of Rs 25,000 per Board meeting attended and total remuneration is limited to 1% of net profits of the Company</p>																
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	: No employee received remuneration higher than the Managing Director who is the highest paid director																
(xii) affirmation that the remuneration is as per the remuneration policy of the company.	: Remuneration paid during the year ended December 31, 2015 is as per the Remuneration Policy of the Company																

Annexure - VII : Annual Report on Corporate Social Responsibility

FOR THE YEAR ENDED ON DECEMBER 31, 2015

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 : **Chairman** : Mr Biswadip Gupta
Members : Mr TanmayGanguly, Miss Nayantara Palchoudhuri, Mr Subrata Roy and Mr Sudipto Sarkar
3. Average net profit of the Company for last three financial years : Rs 9,050 lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : Rs 181 Lakhs
5. Details of CSR spent during the financial year :
 - (a) Total amount spent for the financial year : Rs 9,99,962
 - (b) Amount unspent, if any : Rs 171 lakhs
 - (c) Manner in which the amount spent during the financial year is detailed below :

	SI No.	1	2	Total
1	CSR project or activity identified	Education & skill development for differently abled children	Aid for Cancer Patients	
2	Sector in which the Project is covered	Education & Skill Development	Health Care	
3	Projects or programs (1) Local area or other	Local	Local	
	(2) Specify the State and district where projects or programs was undertaken	Kolkata, West Bengal	Mumbai, Maharashtra	
4	Amount outlay (budget) project or programs wise	Rs 10,00,000	Rs 1,50,000	Rs 11,50,000
5	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Rs 8,49,962 Nil	Rs 1,50,000 Nil	Rs 9,99,962 Nil
6	Cumulative expenditure upto the reporting period	Rs 8,49,962	Rs 1,50,000	Rs 9,99,962
7	Amount spent: Direct or through implementing agency	Indian Institute of Cerebral Palsy	Anandam	

Annexure - VII : Annual Report on Corporate Social Responsibility (Contd.)

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. Meetings have been held with agencies having all India presence to provide CSR support jointly with the employees of the Company to projects not only where the Company's factories are based but also around steel plants and other locations where the Company operates. The Company has so far selected The Institute of Cerebral Palsy, Taratala Road, Kolkata, as one of the beneficiaries for CSR projects for their educational and skill development support to their pre-primary class children and also to Anandam an NGO providing aid to cancer patients at Mumbai
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.

Subrata Roy
MANAGING DIRECTOR

Biswadip Gupta
CHAIRMAN, CSR COMMITTEE

Arunava Maitra
Secretary, CSR COMMITTEE

Place : Kolkata
Date : February 26, 2016

Annexure - VIII : 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 December 31, 2015.

Place : Kolkata
Date : February 12, 2016

Subrata Roy
Managing Director

Annexure - IX : RISK MANAGEMENT POLICY

1. INTRODUCTION

Vesuvius India Limited ("Vesuvius") assesses all Risks at both pre and post-mitigation levels. Such assessment looks at the actual or potential impact that a risk may have together with an evaluation of the currently assessed probability of the likelihood of it occurring. Vesuvius has determined the Risk Mapping Plan and Procedures after analysing its Top 10 Risks while keeping the options open for identifying new Risks and adverse Effects or Scenario which may have an impact on the business of Vesuvius.

Vesuvius will perform a full risk mapping exercise every year in accordance with this Risk Management Plan and Procedures and any improvements to the Plan which the Board of Directors may implement from time to time. The Risk Mapping procedure will include

A Presentation of the Top 10 identified Risks with a rating of Pre and Post-mitigation arrangement plan for any risks identified from the mapping procedure as being RED or high-scoring AMBER. A brief narrative explanation of the reasons for any new Risk identified in the current year's procedure clearly stating the reasons for such Risk and the manner in which the new Risk has been sufficiently mitigated.

Reviewing the baseline for Risk Identification at the time of considering the Annual Business Plan, long term objectives and strategies and any possible factor impacting business continuity, competitive advantages, regulatory environment etc.

Monitoring and Review of Risks on a quarterly basis.

2. BACKGROUND

The Companies Act, 2013 and the Corporate Governance requirements of the Listing Agreement with Stock Exchanges require that Vesuvius have a Risk Management Policy encompassing a Risk Management Plan for identifying, assessing, monitoring and mitigating significant risks which may threaten the existence of Vesuvius. The process should identify:

- the nature of each risk,
- its possible impact in terms of value,
- the likelihood of occurrence,
- ownership of the risk

- regular monitoring and review of risk and
- steps to be taken to mitigate the risk.

3. RESPONSIBILITY

The process of identification and mitigation of risks needs to be in place throughout the year, accompanied by regular review and monitoring. The Stock Exchanges also place a responsibility on the Board of Directors of Vesuvius to review regularly the effectiveness of their systems of internal controls.

Responsibility within Vesuvius for operating systems of risk management and internal controls is organised as follows:

- The Vesuvius Board sets the general policy on internal controls and risk management.
- The Managing Director and his senior management team have direct responsibility for ensuring that the business functions they manage have developed and maintained adequate and appropriate systems of risk management and internal controls, recognising that those systems of controls can provide only a reasonable but not absolute assurance against material misstatement or loss. They are also responsible for monitoring those systems of internal control to ensure that they remain appropriate and effective and in compliance with the Risk Management Policy of Vesuvius.
- Internal Control and Risk Management is reviewed by the Managing Director and CFO at Internal Review meetings.
- The Board reviews the performance of the risk management and internal control system and forms an opinion as to whether the system is operating properly prior to signing off the Annual Accounts.

Through the above structure, the Board's responsibility for reviewing the effectiveness of Vesuvius internal controls is discharged by a combination of its regular reviews of specific key risk areas during the course of the year, together with an annual assessment. This annual assessment considers risk identification and the effectiveness of the internal control systems in particular.

In addition executive management believe that the identification, appropriate management and

Annexure - IX : RISK MANAGEMENT POLICY (Contd.)

subsequent monitoring of business risk is a key prerequisite to the success of Vesuvius.

4. RISK IDENTIFICATION AND RISK MAPPING PROCESS

In order for a business to be run effectively and profitably, management have to be in a position to make informed judgements as to the risks encountered and the appropriate methods of dealing with those risks.

Corporate risks should be discussed at the highest level of management within a business and this is normally done as part of the annual strategic review and budget processes. The risks concerned will be those inherent in the resources and processes of the business, or else likely to arise from new business objectives or changes in external factors. It is not necessary to directly formalise the consideration of risks, although this may be helpful to ensure that all risks are covered and also to ensure that the risks identified have all been considered when internal control objectives are considered.

After risks have been identified, management need to consider how the resources of the operating unit are to be applied in managing those risks. Essentially there are four ways of dealing with a risk:

- accept it, together with any potential adverse consequences; or
- monitor it and establish a form of insurance to mitigate against any negative effects; or
- establish an internal control or system of controls that either eliminates the risk or reduce it to acceptable levels; or
- Avoid it by discontinuing the relevant activities or
- Transferring the risk to another party (outsourcing some activities)

One of the key decisions in this process is the cost of each particular method or combination of methods of dealing with a risk.

Normally, the review of risk management is undertaken prior to finalising annual budget in order that the Budget reflects the perceived level of business risks. Internal Audit will facilitate this review.

The Vesuvius Risk Mapping model is structured to provide senior management, including the Board, with a means by which a periodic review can be made on risk exposure around Vesuvius and how significant risk areas are being managed.

The risks included in the model are those most likely to impact on all businesses of Vesuvius.

Each generic risk is scored by management dependent upon their assessment as to whether, and to what extent, the risk impacts financially on their businesses. The categories of generic risk factors so far identified are:

- A. Market-related
- B. Operational
- C. Financial
- D. Health, Safety and Environment
- E. Compliance and Regulatory Risk

5. Risk rating methodology

There are two components of each risk being (i) (financial) impact and (ii) likelihood (or frequency of occurrence). Each component is to be scored on a range of 1 (low) to 6 (high). The scores of impact and likelihood are then added to arrive at the Risk Exposure Score. If the combined score is 5 or less, the risk is evaluated as low and colour-coded green. If the combined score is 8 or more, then the risk is evaluated as significant and colour-coded red. The range in between low risk and significant risk is coloured amber.

The adequacy of the controls and mitigations are judged based on the Risk Exposure Score as follows :

Risk Exposure Score	Colour Band	Result	Remarks
Equal to or below 5	Green	Acceptable	No further mitigations are required
Between 6 and 7	Amber	Adequate	Further mitigations are required
Above 8	Red	Unacceptable	Immediate action is required to mitigate the likelihood and/or the impact

Each risk that is managed will have to be assessed at both pre and post-mitigation levels. The assessment looks at the actual or potential impact that a risk may have, together with an evaluation of the currently assessed probability of it occurring.

The Risk Matrix for rating the Scoring Tables are :

IMPACT :

Estimated Financial Cost	Categorisation of Risk	Impact Score
Above Rs 30 million	Major	6
Between Rs 20 million to Rs 30 million	Significant	5
Between Rs10 million to Rs20 million	High	4
Between Rs0.50 million to Rs 10 million	Moderate	3
Between Rs 0.25 million to Rs 0.50 million	Minor	2
Below Rs 0.25 million	Negligible	1

LIKELIHOOD :

Probability of Occurrence	Probability Score
> 50%	6
Between 30% and 50%	5
Between 20% and 30%	4
Between 10% and 20%	3
Between 5% and 10%	2
< 5%	1

The Risk Assessment/Scoring Tables with the identified significant risks and generic risks will be set out each year. In addition, senior management must complete, in respect of their operational areas, a brief summary of:

- The risk pre-mitigation arrangement with indication of the risk score
- The Residual risk after mitigation arrangement with indication of the revised risk score and its plans to manage and mitigate each of these risks.

There can be changes in the Risk ratings :

Some risks can have mitigation actions/strategies that lead to a lower risk rating. However, there are some categories where the risk rating could not reduce further.

Residual Risk to be changed (lowered) where there is evidence to suggest the options for the treatment of the risk would lower the likelihood of it occurring.

6. Identified Top 10 Risks

The Identified Top 10 Risks (not in order of ranking) which are perceived to be the most significant business risks are:

1. End Market Cyclicalities
2. Weakening in demand from core-end markets
3. Product Liability Issues
4. Regulatory Compliance
5. Maintenance and Protection of leading technologies
6. Foreign Exchange, Capital Market, Interest Rate and inflation uncertainties
7. Loss of a major site
8. Ability to source and use critical raw materials
9. Loss of business reputation
10. Attraction and Retention of Staff

7. Risk Manager

The Managing Director will be ultimately responsible for risk identification, risk evaluation/assessment, risk mitigation and reporting.

ANNEXURE X : INSIDER TRADING CODE

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING OF THE COMPANY'S SECURITIES BY INSIDERS

[As per Schedule B and Regulation 9 of
SEBI (Prohibition of Insider Trading) Regulations, 2015]

VESUVIUS INDIA LIMITED (the "**Company**") hereby formulates this **Code of Conduct To Regulate, Monitor and Report Trading of the Company's Securities by Insiders** (hereinafter referred to as "**Insider Trading Code**") and is effective from the date of commencement of **Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015** (hereinafter referred to as the "**Regulations**") i.e. from **May 15, 2015** and replaces the Code of Conduct for Prevention of Insider Trading which was formulated by the Board of Directors of the Company under the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992.

This Insider Trading Code is applicable to and shall be strictly followed by all Directors, Key Managerial Personnel and employees of the Company (who are hereby defined as "**designated persons**") and by all other persons defined as "connected person" under the Regulations.

The definition of terms mentioned in the Regulations, as may be amended from time to time, are applicable to this Insider Trading Code and are intentionally not repeated in this Insider Trading Code.

1. The **Company** appoints the Company Secretary of the Company as the Compliance Officer under Regulation 9(3) of the Regulations. Mr Taposh Roy is presently the Company Secretary and is the nominated Compliance Officer.
2. The Compliance Officer shall be responsible for administering the Insider Trading Code, updation of the Code and its amendments in the Company's website, preservation of "Price Sensitive Information", pre-approval of requests from designated persons for transaction in securities of the Company, monitoring of trades and the implementation of and adherence to this Insider Trading Code under the overall supervision of the Board of Directors of the Company.

3. The Compliance Officer shall

- (a) Maintain records of the designated persons and any changes made in the list of designated persons.

- (b) Shall assist designated persons in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Insider Trading Code.
- (c) Shall ensure that Unpublished Price Sensitive Information are handled on a need-to-know basis and are not communicated to any person except in furtherance of legitimate purposes or in performance of legitimate duties.
- (d) Shall report to the Board of Directors on a quarterly basis on all Insider transactions and compliances with the Insider Trading Code and shareholding of Directors, Key Managerial Personnel and employees of the Company.
- (e) Announce the periods when the Trading Window is closed
- (f) Receive, consider and approve or reject the Pre-dealing of transaction approval form;
- (g) Maintain records of all Pre-dealing approval forms and the declarations in the appropriate forms given by the designated persons for a minimum period of five years.
- (h) Inform SEBI if there is any violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

4. All Directors and designated persons :

- (a) Shall maintain confidentiality of all Unpublished Price Sensitive Information.
- (b) Shall not pass on any Unpublished Price Sensitive information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities of the Company.
- (c) Shall communicate Unpublished Price Sensitive Information with other designated persons only on a "need to know" basis, i.e. Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their legitimate duties or for other legitimate purposes.

- (d) Shall keep files containing confidential information secure and the Computer files must have adequate security of login and password, etc.
- (e) Shall be subject to trading restrictions when the trading window is closed i.e. shall not purchase, sale or deal in securities either by themselves or their relatives or pass on information to others to enable them to deal in securities during the period when trading window is closed or during any other period as may be specified by the Company from time to time.
- (f) Shall obtain prior approval for all proposed transaction in the securities of the Company before entering into such transactions from the Compliance Officer by making an application in the prescribed **Pre-dealing Form** (which is available with the Compliance Officer) if they intend to deal in the securities of the Company. There is no minimum threshold limit for compliance with the Insider Trading Code. Therefore transaction of even one share of the Company by any Director, Key Managerial Personnel or employee will require pre-dealing approval and other disclosure compliances under this Insider Trading Code. However for designated persons holding or transaction in aggregate of 1000 shares and above, non-compliance of this Insider Trading Code may result in such disciplinary actions as may be decided and approved by the Board of Directors of the Company including prompt reporting to SEBI under Clause 13 of Schedule B to the Regulations.
- (g) Shall upon approval of the pre-dealing application by the Compliance Officer, execute their order in respect of securities of the Company within seven trading days from the date of the pre-dealing approval. If the order is not executed within this seven day period, the designated persons must obtain a fresh pre-dealing approval again.
- (h) Shall hold their investments in securities for a minimum period of one year in order to be considered as being held for investment purposes.
- (i) Shall not make any **contra trade** within six months of the last transaction for which the contra trade is being considered. Should a contra trade be executed inadvertently or

otherwise in violation of such restriction, and where the aggregate traded value of the contra transactions executed in one transaction or a series of transactions is Rs 500,000 or more, the profits from such trade shall be liable to be disgorged for remittance to SEBI in terms of Clause 10 of Schedule B of the Regulations.

In case the sale of securities is necessitated by personal emergency or exceptional circumstances, the holding period and contra trade period may be waived by the Compliance Officer after recording in writing his reasons in this regard and subsequently ratified by the Board of Directors but no such transaction should be permitted when the trading window is closed.

- (j) Shall not deal in any securities of the Company at any time when he is in possession of Unpublished Price Sensitive Information or otherwise where approval to deal is not given by the Company.
- (k) The Company Secretary must not deal in any securities without first receiving pre-dealing approval from the Chairman in advance or, if the Chairman is not present, from the Managing Director. The Chairman must not deal in any securities without first receiving pre-dealing approval from the Managing Director in advance or, if the Managing Director is not present, from the Company Secretary. The Managing Director must not deal in any Securities without first receiving pre-dealing approval from the Chairman in advance or, if the Chairman is not present, from the Company Secretary. In all such instances, immediately after granting the approval, all the other Directors must be informed that approval has been granted for dealing in securities of the Company by the Chairman, Managing Director or Company Secretary, as applicable.

5. Trading Plans

The option for submitting Trading Plan as envisaged in regulation 5 of the Regulations will not be available for any designated persons under this Insider Trading Code.

6. Reporting Requirements for transactions in securities

- 6.1 All designated persons of the Company shall be required to forward following details of their securities transactions including the statement

ANNEXURE X : INSIDER TRADING CODE *(Contd.)*

of dependent family members to the Compliance Officer :

- (a) All holdings in securities of the Company at the time of joining the Company;
- (b) All transactions in the securities of the Company undertaken by them or their immediate relatives within 2 trading days of transaction taking place
- (c) Statement of all holding in securities of the Company as on 30th June and 31st December of each year mentioning the transactions during the period and the corresponding pre-dealing approval number and date of the transaction.

7. Trading Window

7.1 Trading window is the period during which dealings in securities of the Company can be made. When the trading window is "closed" no transactions are permissible during such "closed" period.

7.2 The trading window shall be closed at the following times:-

- (a) Declaration of Financial results (quarterly, half-yearly and annually). The period will be from 5 days before the end of the quarter to which the results relate upto 48 hours after the Financial Results are published in the newspapers. For example if the results for the Quarter ending 31st March is approved by the Board of Directors at the meeting on 17th April and the results are published in the newspapers on 18th April, then the trading window shall be closed from 26th March to 20th April and trading window will "Open" from 21st April.
- (b) Declaration of Final Dividend. Since accounting year of the Company ends on 31st December each year, the Trading Window will be closed from 26th December upto the period of 48 hours after the publication of the Financial Results in the newspapers.
- (c) Declaration of Interim Dividend. Where the Agenda paper includes an item of interim dividend, the Trading Window will

be closed from the date of issue of the Agenda papers upto 48 hours after the Interim Dividend is declared and informed to the Stock Exchanges. Where the interim dividend is not mentioned in the Agenda papers but declared at the Board meeting, the Trading window will be from the time of declaration at the Board meeting upto 48 hours after the Interim Dividend declaration is informed to the Stock Exchanges.

- (d) Issue of securities by way of public/ rights/ bonus etc.
- (e) Any major expansion plans or execution of new projects.
- (f) Amalgamation, mergers, takeovers and buy-back.
- (g) Disposal of whole or substantially whole of the undertaking.
- (h) Any changes in policies, plans or operations of the company.
- (i) Any other periods which the Company will announce.

8. Penalty for contravention of Insider Trading Code

- 8.1 Strictures mentioned in clauses 4(f) and 4(i) above will apply
- 8.2 Any designated person who trades in securities or communicates any information for trading in securities in contravention of this Insider Trading Code or the SEBI (Prohibition of Insider Trading) Regulations, 2015 may be penalized and appropriate action may be taken by the Company as the Board of Directors may decide.
- 8.3 Designated persons who violate the Insider Trading Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.
- 8.4 The action of the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

ANNEXURE XI : INSIDER TRADING FAIR DISCLOSURE CODE

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

[As per Schedule A and Regulation 8 of

SEBI (Prohibition of Insider Trading) Regulations 2015]

VESUVIUS INDIA LIMITED (the "**Company**") hereby formulates this **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information** (hereinafter referred to as "**Disclosure Code**") which is effective from the date of commencement of **Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015** (hereinafter referred to as the "**Regulations**") i.e. from **May 15, 2015**.

This Disclosure Code is applicable to and shall be strictly followed by all Directors, Key Managerial Personnel and employees of the Company (who are hereby defined as "**designated persons**") and by all other persons defined as "connected person" under the Regulations.

The definition of terms mentioned in the Regulations, as may be amended from time to time, are applicable to this Disclosure Code and are intentionally not repeated in this Disclosure Code.

1. Designated Officer

The Managing Director of the Company is the designated officer under this Disclosure Code as well as under Clause 36 of the Listing Agreement with Stock Exchanges who will deal with dissemination and disclosure of Unpublished Price Sensitive Information.

2. The Company's obligations under the Disclosure Code

The Company has an obligation to

- a) disclose Unpublished Price Sensitive Information in order to keep the market properly informed;
- b) ensure that, until it is disclosed, Unpublished Price Sensitive Information is kept confidential; and
- c) ensure that all information disclosed to the market is accurate and not misleading.

3. Obligation to promptly disclose Unpublished Price Sensitive Information

The Company is obliged to make a prompt public disclosure of all Unpublished Price Sensitive Information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available. This is a very important principle, which is fundamental to the fair and efficient operation of the market in the Company's securities.

The disclosure obligation requires that:

- a) inside information must be properly identified;
- b) the Company must establish effective arrangements to deny access to Unpublished Price Sensitive Information to persons other than those who require it for the exercise of their functions within the Company;
- c) Unpublished Price Sensitive Information can only be passed on outside the Company if there is a proper reason, and the person receiving the information owes a duty of confidentiality;
- d) if Unpublished Price Sensitive Information has been improperly passed on, the Company may have to make an immediate announcement to the market;
- e) in some circumstances, the Company may need to make a holding announcement pending fuller disclosure to the market; and
- f) all announcements of Unpublished Price Sensitive Information made by the Company will be posted on the Company's website by the close of the following business day and retained there for at least two months.

4 Delaying disclosure of Unpublished Price Sensitive Information

As indicated above, where Unpublished Price Sensitive Information exists it must be announced to the market as soon as possible. However, a delay may be permitted if the following criteria can be satisfied:

- a) The Company has legitimate interests that would be prejudiced by disclosure;
- b) The market would not be misled by the non-disclosure; and
- c) The Company can ensure that the information is kept confidential until disclosure is made.

5 Accurate disclosure

The Company must take all reasonable care to ensure that all information disclosed to the market is not misleading, false or deceptive and does not omit anything likely to affect the import of the information.

This means taking all due care to ensure that the appropriate information is made available to the

ANNEXURE XI : INSIDER TRADING FAIR DISCLOSURE CODE (Contd.)

market, whether in the Company's annual report, other regular reports, or in one-off announcements, and that public announcements are reviewed carefully to ensure that they do not inadvertently mislead.

6 Dealing with rumours and press speculation

There may be an obligation to make an announcement if there is rumour or press speculation within the market. The Company may make a disclosure if the rumour amounts to Unpublished Price Sensitive Information.

If the rumour is largely accurate and the underlying information is Unpublished Price Sensitive Information then it is unlikely that the Company could delay disclosure as it can no longer ensure confidentiality of the Unpublished Price Sensitive Information. In such circumstances, the Company should disclose the Unpublished Price Sensitive Information to the Stock Exchanges where the Company's securities are listed as soon as possible.

7 Insider lists

The Regulations requires companies and their advisers to keep lists of insiders. These are lists of persons with regular access to Unpublished Price Sensitive Information, or who may have access to Unpublished Price Sensitive Information at a particular time. Such lists help control, monitor and regulate who has Unpublished Price Sensitive Information.

The list must contain

- a) the name of each person within the Company with access to Unpublished Price Sensitive Information;
- b) the name of the principal contact(s) as external advisers or contractors who have access to Unpublished Price Sensitive Information; and
- c) the reason why the relevant person is on the list, and must be updated whenever a new person becomes an insider or someone ceases to be an insider.

8. Keeping information confidential

It is a fundamental principle that each insider should keep confidential any information that is confidential to the Company. However, the Regulations impose extra obligations.

- a) If any insider has Unpublished Price Sensitive Information as an insider, he must not disclose that information except in the proper course of his employment, profession or legitimate duties.
- b) He must take appropriate precautions to ensure the confidentiality of the information,

- c) If he improperly discloses inside information he could be committing market abuse.

9. Proper reporting of information

If any person comes across information which he believes may be Unpublished Price Sensitive Information, and if he believes that this information is neither known by any member of the Company's Board of Directors nor by the Company Secretary nor the Chief Financial Officer, it is obligatory on his part to inform the Chairman and the Managing Director of the information as soon as possible. This is because a decision will need to be taken as to whether the Company is under an obligation to announce the Unpublished Price Sensitive Information in compliance with the Regulations.

10. Dealing in securities

There are restrictions on dealings in securities of the Company :

- a) The Companies Act, 2013 and the Regulations prohibit dealing on the basis of inside information. These laws carry penalties which can include a prison sentence.
- b) The Company's Code of Conduct to Regulate, Monitor and Report Trading of the Company's Securities by Insiders has to be complied with.
- c) The Companies Act, 2013, the Regulations and the Company's Insider Trading Code apply to dealings in shares or other securities of the Company or in other investments related to those securities such as options, derivatives etc.
- d) Directors and employees will not deal in the Company's shares, options or other securities at a time when they may have, or be perceived as having, Unpublished Price Sensitive Information.
- e) Directors and employees will not deal in the Company's shares, options or other securities when the Trading Window is closed regardless whether they have Unpublished Price Sensitive Information or not, except in the instances mentioned in the Insider Trading Code.

11. Unacceptable behaviour

It is an unacceptable behaviour and also market abuse to:

- a) disseminate information or otherwise behave in a way which gives, or is likely to give, a false or misleading impression regarding the price, value, supply of or demand for an investment; or
- b) behave in a way that is likely to distort the market in a security or
- c) encourage another person to engage in any insider trading activity.

ANNEXURE XII : PREVENTION OF SEXUAL HARASSMENT POLICY

1. Introduction

Vesuvius India Limited, together with its affiliates hereinafter called "Vesuvius", is committed to ensuring that each of its employee and potential employees are treated with fairness and dignity. Accordingly, any discriminatory practice will not be tolerated. Vesuvius seeks to provide each employee with equal opportunity for advancement without discrimination. Vesuvius is also committed to promoting a work environment free of any form of harassment, exploitation, abuse or violence. Vesuvius observes zero tolerance for sexual harassment in any form and offenders shall be subject to stringent action as per this Policy and the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 ("Act").

2. Objective

This policy is formulated to achieve the below objectives:

- to provide guidelines for preventing inappropriate workplace behaviour of sexual harassment.
- to encourage employees to adhere to their responsibilities of preventing and reporting such inappropriate conduct before it becomes severe or pervasive.
- to provide a timely and fair mechanism for handling and resolving of any such complaints.
- to ensure that employees are trained to perform their roles in relation to this policy.

3. Scope and Applicability

3.1 This policy is applicable to women who are -

- Employees on Vesuvius India payroll;
- Contractors engaged through direct or indirect contract and working out of any of the Vesuvius premises and/or at any of Vesuvius' customer sites within India.
- Trainees with or without remuneration,
- Apprentices under Apprenticeship Act, 1961
- Visitors to Vesuvius' premises including auditors, consultants, customers, vendors, bank representatives and candidates appearing for interviews.
- All employees as may be determined by

Vesuvius from time to time, at its sole discretion, without any gender differentiation.

3.2 The policy covers all allegations of sexual harassment irrespective of whether such an act is alleged to have taken place within or outside Vesuvius premises or whether such act is arising out of or during the course of employment or beyond the office hours, including during travel, conferences, training programs and other work assignments.

3.3 In case of any complaint at least one of the parties to the complaint (either the aggrieved person or respondent) should be within the scope of applicability mentioned above.

4. Definitions

4.1 **Aggrieved Woman:** is a woman who alleges to have been subjected to any act of sexual harassment.

4.2 **Respondent:** is a person against whom a complaint of alleging sexual harassment has been made under this policy.

4.3 **Complainant:** is the aggrieved woman or such person who is authorized to make complaint as clarified under clause 5.2.2 of this policy.

4.4 **Sexual Harassment:** Sexual Harassment includes

A. Any one or more of the following unwelcome acts or behaviour (whether directly or by implication) namely -

- Physical contact and advances
- Demand or request for sexual favours
- Making sexually coloured remarks
- Display of pornographic material or sexual explicit written material
- Any behaviour that is offensive or humiliating in a gender-related manner
- Any other unwelcome physical, verbal or non-verbal contact of sexual nature

B. The following circumstances, among other circumstances, if it occurs or is present in relation to or connected with any act or behaviour may amount to Sexual Harassment -

ANNEXURE XII : PREVENTION OF SEXUAL HARASSMENT POLICY (Contd.)

- Implied or explicit promise of preferential treatment in employment
- Implied or explicit threat of detrimental treatment in employment
- Implied or explicit threat about the present or future employment of the person
- Interference with work or creating an intimidating or offensive or hostile work environment for the person
- Humiliating treatment likely to affect the person's health or safety

C. Sexually harassing or offensive conduct by or against the associates, whether committed by supervisor, manager, peers or any other third party

5. Complaint and Redressal Mechanism:

5.1 Constitution Prevention of Sexual Harassment Committee (PSH Committee)

5.1.1 Vesuvius has constituted an Internal Complaints Committee known as **Prevention of Sexual Harassment Committee** ("PSH Committee") to consider and redress all such complaints of sexual harassment. PSH Committee shall consist of at least 4 (four) members to be nominated by Vesuvius, comprising of the following -

- a) a Presiding Officer, who shall be a woman employee,
- b) one employee of Vesuvius representing the HR department
- c) one employee of Vesuvius who has experience in social work or have legal knowledge, and
- d) one member from a Non-Governmental Organization (NGO) or association committed to the cause of women or a person familiar with issues relating to sexual harassment.

5.1.2 At least 50% of total members of PSH Committee shall be women.

5.1.3 The Presiding Officer and every Member of the PSH Committee shall hold office for a period not exceeding three years. However, due to paucity of the number of woman employees in Vesuvius, an extension of one year may be given to an existing member of the PSH Committee by Vesuvius.

5.1.4 A fee of Rs. 500/- (Five hundred only) for attending each meeting of the PSH Committee will be paid to the non-employee Member of the PSH Committee.

5.1.5 The PSH Committee shall maintain minutes of all its meetings and inquiries and keep such documents including evidence in the custody of the Presiding Officer. The minutes will be signed by the Presiding Officer. The PSH Committee will submit to Vesuvius an annual report for each year ending on 31st March on the activities of the PSH Committee and the cases filed and its disposal status.

5.2 Redressal process

5.2.1 Lodging a Complaint

A complaint of sexual harassment at workplace shall be made in writing to PSH Committee within a period of 3 (three) months from the date of incident or in case of a series of incidents, within a period of 3 (three) months from the date of the last incident. The complainant shall submit six copies of the complaint along with supporting documents, names and addresses of the witnesses. In case where such complaint cannot be made in writing, PSH Committee shall render all reasonable assistance to the complainant for making the complaint in writing.

PSH Committee can extend the time limit for filing the complaint for a period not exceeding three month in case it is satisfied that the circumstances were such which prevented the complainant from filing a complaint within the initial three months.

5.2.2 Who can file a complaint?

Any aggrieved woman or group of aggrieved women can file a complaint to PSH Committee. However, in case the aggrieved Woman is unable to make a complaint, the following person(s) can make the complaint on behalf of the aggrieved woman:

- In case of physical incapacity of the aggrieved woman, any relative or friend or co-worker or any officer of National / State Women's Commission or any person with the knowledge of the incident subject to written consent of the aggrieved woman.
- In case of mental incapacity of aggrieved woman, any relative or friend or special

educator or qualified psychiatrist / psychologist or guardian or authority under whose case aggrieved woman is receiving treatment or care or any person with the knowledge of the incident jointly with any of the above.

- In case of death of aggrieved woman, her legal heir or any other person who has knowledge of the incident with the written consent of the legal heir.
- For any other reason, any person with the knowledge of the incident subject to written consent of aggrieved woman.

5.2.3 Conciliation process

- PSH Committee, may, before initiating an inquiry, at the request of the complainant, take steps to settle the matter between the complainant and respondent through conciliation. However, no monetary settlement shall be made as basis of conciliation.
- In case there is a settlement arrived at, PSH Committee shall record the settlement so arrived and forward the same to Vesuvius to take action as specified in the recommendation. The copy of the settlement shall be provided by the PSH Committee to both the aggrieved woman and respondent. There shall be no further inquiry into the complaint in such cases.

5.2.4 Inquiry into Complaint

Subject to Clause 5.2.2, the PSH Committee shall conduct the inquiry into the complaint made by the complainant. PSH Committee shall also conduct an inquiry in case the complainant informs that the settlement arrived at during conciliation above has not been complied with by the respondent.

Based on the "principles of natural justice", PSH Committee will conduct the inquiry in the following manner:

- PSH Committee shall send one copy of the complaint to the respondent within a period of 7 (seven) working days of receipt of the complaint and the respondent shall file a reply to the complaint along with the supporting documents and names and addresses of witnesses within a period of

10 (Ten) working days from the date of receipt of the copy of complaint.

- Both the parties shall appear in person to present their case and cannot be represented by any third party or any legal practitioner. During the course of inquiry, PSH Committee shall give an opportunity of being heard and a copy of the findings of PSH Committee shall be provided to both parties enabling them to make a representation before PSH Committee.
- For the purpose of making an inquiry, PSH Committee shall have power to:
 - I. Summon and enforce the attendance of any person and examine such person on oath;
 - II. Require the discovery and production of documents; and
 - III. Any other matter which may be prescribed under law.
- **Ex parte Decision:** PSH Committee shall have the right to terminate the inquiry proceedings or to give an *ex parte* order if the complainant or respondent fails to be present, without sufficient cause, for 3 (three) consecutive hearings convened by PSH Committee. PSH Committee shall give an advance notice of 15 (fifteen) days in writing to the party concerned before passing such termination/*ex parte* order.
- The inquiry process shall be completed within the period of 90 (ninety) days from the date of commencement of the inquiry proceedings.

5.2.5 Interim relief

During the pendency of an inquiry, on a written request made by an aggrieved woman, PSH Committee, may recommend to Vesuvius to:

- I. Depute the aggrieved woman or respondent to any other workplace/ location/ department, or
- II. Grant paid leave to the aggrieved woman up to a period of 3 (three) months in addition to the leaves that the aggrieved woman is entitled to, or
- III. Restrain the respondent from reporting on the work performance of the aggrieved

ANNEXURE XII : PREVENTION OF SEXUAL HARASSMENT POLICY (Contd.)

woman or being her supervisor and assign the same to another officer.

IV. Grant such other relief to the aggrieved woman as PSH Committee deems fit.

On such recommendations, Vesuvius shall implement the recommendations and subsequently confirm to the PSH Committee.

5.2.6 Report of the findings and recommendations by PSH Committee

- On completion of the inquiry, PSH Committee will provide a report of its findings to the Managing Director of Vesuvius within a period of 10 (Ten) days from the completion of inquiry and such report must be made available to the concerned parties.
- If PSH Committee arrives at a conclusion that the allegation(s) against the respondent has not been proved, it shall recommend to Vesuvius that no action is required to be taken. However, if PSH Committee comes to the conclusion that the allegation(s) against the respondent has been proved, it shall recommend Vesuvius to take action in terms of the law and as per the policy of Vesuvius against such Respondent which may include:
 - To take the action for sexual harassment as a misconduct in accordance with the service rules of Vesuvius
 - Payment of compensation from the salary or wages of the respondent, to aggrieved woman
 - Written warning, reprimand or censure,
 - Written apology from the respondent
 - Transfer or reassignment,
 - Removal of management authority or duties,
 - Suspension or termination from service
 - Withholding promotion or increment
 - Deduction of appropriate damages from the salary of the respondent to be paid to the complainant / aggrieved Woman

- Training or counselling to the Respondent

- The recommendations submitted by PSH Committee shall be implemented by Vesuvius within a period of 60 (sixty) days from the date of receiving such recommendations.

5.2.7 Sexual Harassment as Criminal offence

If an aggrieved woman chooses to file a criminal complaint in relation to the offences of sexual harassment under the provision of the Indian Penal Code, Vesuvius shall provide all assistance to the aggrieved woman and Vesuvius shall fully co-operate with the authorities in investigation. In case the respondent is not an employee or not in reach of Vesuvius, then at the request of the woman, Vesuvius shall assist her to lodge a police complaint.

5.3 Confidentiality

The proceedings under this policy, including the contents of complaint, identity, address of the complainant, respondent and witnesses, recommendations of PSH Committee and the action taken by Vesuvius under this policy, shall always be kept confidential by Vesuvius and the members of PSH Committee.

5.4 False or malicious complaint or false evidence

If PSH Committee reaches at a conclusion that -

- The Complainant has made a complaint against the respondent, knowing it to be false, or
- If the Complainant or any other witness has provided any false or misleading evidence/document,

PSH Committee shall recommend to Vesuvius to take disciplinary action against such complainant and/or witness, as the case may be, which may include the actions mentioned in clause 5.2.5 above. In case the aggrieved woman is not an employee or not in reach of Vesuvius, then to lodge a police complaint or lodge a complaint with the employers of such aggrieved woman.

6. Appeals

Any person aggrieved by the recommendations of the PSH committee may prefer an appeal in courts or as prescribed under *The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013*. Such an appeal has to be filed within 90 (ninety) days of recommendations of the PSH Committee.

7. Residuals

- Vesuvius at its option, may change, delete, suspend or discontinue parts of the policy in its entirety, at any time without prior notice.
- In case of inconsistency between the provisions of this policy and the Act or any other applicable law, the provisions of Act and such applicable law shall prevail.

- In the event of any dispute or ambiguity, interpretation of this policy shall be decided by Vesuvius.
- In the event of complaints of sexual harassment by employees other than woman, Vesuvius, at its discretion, can extend the provisions of this policy to such employees. In such case, if any inconsistency arises on applicability of the provisions of the policy, Vesuvius shall be at liberty to change the process under the policy, if required to achieve the primary objective of the policy.
- Any act or conduct not covered under this policy shall be dealt under Vesuvius's Code of Conduct policy or the Service Rules of Vesuvius or any other policy as applicable or as deemed fit and proper by Vesuvius in accordance with the principles of natural justice and fairness.

ANNEXURE XIII : POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

1. Introduction

Vesuvius India Limited ("Vesuvius") is a subsidiary of its ultimate holding company Vesuvius plc, UK. Vesuvius plc is a world leader in refractory products and to maintain its leadership emphasis is given on quality, technological supremacy and uniformity for all its products manufactured from any of its manufacturing units spread over 38 countries. In order to maintain its quality and uniformity for its products, materials, partly finished goods, spares etc need to be sourced from amongst the various subsidiaries of Vesuvius plc. While sourcing or supplying within these subsidiary companies, Vesuvius follows the Transfer Pricing Policy of Vesuvius plc, which is applicable to all its subsidiaries including Vesuvius. This ensures that all transactions within the subsidiaries, being related parties, are at arm's length.

Vesuvius in addition to the compliance with the Transfer Pricing Policy of Vesuvius plc, complies with the requirements of the Accounting Standards on Related Party Transactions applicable in India, the provisions of section 188 of the Companies Act, 2013 (hereinafter referred to as the "Act") and the applicable rules thereunder and also the provisions of the Listing Agreement with Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations, 2015") which is applicable from December 1, 2015.

2. Definitions

The definition of terms mentioned in the Companies Act, 2013, the Listing Agreements with Stock Exchanges, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Accounting Standards on Related Party Disclosures (AS 18) as may be amended from time to time, are applicable to this Policy on Materiality of and Dealing with Related Party Transactions. In case of a conflict of definition, the definition mentioned or interpreted in the SEBI laws and regulations will prevail.

3. Related Party and Related Party Transaction

This policy is applicable to all Related Party Transactions, both for sourcing and supply entered into by Vesuvius in the course of its business activities. All subsidiaries of Vesuvius plc are inherently defined as a related party of Vesuvius irrespective of whether any transaction has been entered into with them during the year. All inter-se transactions within these subsidiaries of Vesuvius plc are in the ordinary course of business and being compliant with the Transfer Pricing

ANNEXURE XIII : POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS *(Contd.)*

Policy of Vesuvius plc they are ensured to be arm's length transactions.

4. Policy on dealing with Related Party Transactions

4.1 Scope and Purpose of the Policy :

Transactions between related parties can present a conflict of interest which may be detriment to the interest of Vesuvius and to its Shareholders. It is therefore essential to ensure that such transactions are incurred only for the purposes of the business of Vesuvius, are in the ordinary course of business of Vesuvius and the transactions are at arm's length. Adequate procedures should be in place to determine the manner of identifying related parties, identifying such transactions, ensuring complete disclosure of information and documents, complete disclosure of conflict of interest and the manner in which approvals to be granted.

4.2 Objective: The Objective of this Policy is to (a) identify related parties and transactions with them; (b) set out the threshold limits for such related party transactions; (c) set out the Material limit for related party transactions and (d) manner of dealing with and approvals of such related party transactions.

4.3 Policy on Identifying related parties and related party transaction

4.3.1 All subsidiaries of Vesuvius plc are inherently defined as a related party of Vesuvius irrespective of whether any transaction has been entered into with them during the year. All Directors, Key Managerial Personnel and Senior Management and their relatives are to be treated as related parties. Any transactions between Vesuvius and a related party will be terms a related party transaction.

4.3.2 All Directors are required to declare and disclose the concerns or interests in any company or bodies corporate or in any contract or arrangement in which they are interested directly or indirectly on an annual basis at the first Board meeting in every financial year and subsequently whenever there is any change in their disclosures. Similar

disclosures are required to be submitted by the Key Managerial Personnel of Vesuvius.

4.3.3 Every Director, Key Managerial Personnel and Senior Management of Vesuvius is further required to give notice of any actual or potential related party transaction with Vesuvius involving themselves or their relatives or the companies in which they are interested.

4.3.4 Internal Financial Controls which have been put in place further identify any potential related party or any potential related party transaction and ensure these are updated in the related party list. The Audit Committee shall review the Internal Financial Controls to ensure that systems are in place to identify and locate all related parties and related party transaction and complete reporting of these transactions are made to the Audit Committee.

4.4 Policy on Dealing with Related Party Transactions:

4.4.1 All related parties will be identified and a list of the same will be maintained by the Company Secretary. Transactions with such related parties shall be identified and categorised into the items referred to in clauses (a) to (g) of subsection (1) of section 188 of the Act or any further amendments thereto.

4.4.2 All contracts or arrangements with related parties referred to in Section 188 of the Act and Rules thereunder shall be in the ordinary course of business, at arm's length transaction and within the threshold limits prescribed under the Act and Rules thereunder specifically Rule 15 of Companies (Meetings of Board and its Powers) Rules 2014, as amended from time to time.

4.4.3 All contracts or arrangements referred to in Clause 49 of the Listing Agreement or Regulation 23 of the Listing Regulations, 2015 shall be in the ordinary course of business, at arm's length transaction and within the respective "materiality" limit.

- 4.4.4 All contracts or arrangements with related parties will first be approved by the Audit Committee and upon their recommendation by the Board of Directors of the Company in the manner mentioned later.
- 4.4.5 Shareholders approval will be required only for those Related Party Transactions which are not in the ordinary course of business or not at arm's length or have exceeded the threshold limits and for which such approval is prescribed under the Act and Rules thereunder. Shareholders approval will be required for all Related Party Transactions which exceed the "Materiality" limit. Consent from the Audit Committee and from the Board of Directors shall be obtained prior to placing the matter before the Shareholders for their approval.

However it is clarified that all related party transactions exceeding the threshold limits under Rule 15(3) of Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014 which are in the ordinary course of business and on an arm's length basis, will only require the prior approval of the Audit Committee, provided that such related party transactions do not exceed the "Material" limit as provided under Clause 49(VV)(C) of the Listing Agreements with Stock Exchanges and Regulation 23(1) of the Listing Regulations, 2015.

4.5 Policy on "Material" transactions

- 4.5.1 The Threshold limits prescribed under Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules 2014 and amendments thereto will be the applicable threshold limits under this Policy.
- 4.5.2 The Listing Agreement with Stock Exchanges and the Listing Regulations, 2015 require that all transactions exceeding the "Material" limit, irrespective of whether they are in ordinary course of business or at arm's length, require approval from the Shareholders of the Company through

an ordinary resolution where all related parties, irrespective of whether they are a related party to the transaction or not, will abstain from voting.

Definition of "Material" transaction for the purpose of this Policy :

A transaction with a related party will be considered as "Material" if the transaction(s) to be entered into individually or taken together with previous transactions during the financial year, exceeds ten percent of the annual consolidated turnover of Vesuvius as per the last Audited financial statements of Vesuvius or such higher percentage or amount as the Listing Regulations, 2015 may provide from time to time.

4.6 Policy on Omnibus Approval

For known repetitive transactions entered into with related parties which are in the ordinary course of business and at arm's length and not exceeding the threshold or "Material" limit, Omnibus Approval may be granted for such amounts and for periods not exceeding one year at a time and on such conditions as the Audit Committee may recommend and approved by the Board of Directors. However, in case of related party transactions which cannot be foreseen or the transaction value or their information are not readily available, Omnibus Approval may be granted to such transactions not exceeding Rs 1 crore per transaction on such conditions and for such periods not exceeding one year at a time. When the limits mentioned in the Omnibus Approval are reached, a fresh Omnibus Approval may be granted for those transactions.

4.7 Review and Approval Process

- 4.7.1 All contracts or arrangements with related parties will require prior approval of the Audit Committee and upon their recommendation by the Board of Directors of the Company. In exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Audit Committee may ratify the transactions

ANNEXURE XIII : POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS *(Contd.)*

in accordance with this Policy. On the recommendation of the Audit Committee, the Board of Directors may grant Omnibus Approval to repetitive related party transactions for such periods not exceeding one year at a time.

- 4.7.2 In case of new contracts or arrangements to be entered into, full disclosure as required under the Act, Listing Agreement and the Listing Regulations, 2015 must be submitted to the Audit Committee. The requirements of Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable Rules and amendments thereto in the format prescribed by the Audit Committee along with all documents and justification for these transactions to be submitted. Full disclosures of any conflict of interest of Directors, Key Managerial Personnel or Senior Managerial personnel should be disclosed. The transactions will be approved by the Board of Directors after consent to the same has been given by the Audit Committee.
- 4.7.3 The Audit Committee will review on a quarterly basis, the details and value of all related party transactions entered into during the quarter and the cumulative value of transactions entered into during the financial year upto the end of the quarter and compare with the respective Omnibus Approval granted. When the limits mentioned in the Omnibus Approval are reached, a fresh Omnibus Approval may be granted for those transactions.
- 4.7.4 All requirements relating to disclosures to the Audit Committee and to the Board of Directors, details and nature of information, key terms and conditions, determination of arm's length transaction etc as required under the Act and Rules thereunder, the Listing Agreements with Stock Exchanges and the Listing Regulations, 2015 will be complied with.

- 4.7.5 In case the Audit Committee determines not to approve or ratify a related party transaction that is intended to be entered into or that has been commenced without prior approval of the Audit Committee, the Audit Committee may direct additional actions including, but not limited to, discontinuation of the transaction or seeking approval of the Shareholders or payment of compensation for the loss suffered by Vesuvius etc.

5. Policy Review

- 5.1 The Audit Committee may review this Policy from time to time and recommend any amendments to the Policy to the Board for approval. The Board upon receiving such recommendation may review and amend the Policy.
- 5.2 Any change in definition or any terms and conditions of this Policy or any additional disclosure requirement or any change in threshold or "Material " limits under the Act, Listing Agreements or Listing Regulations, 2015 will immediately affect this Policy and the requirements of this Policy will stand altered change accordingly without any further action or approvals. However, if there is a conflict between this Policy and the new requirements, the Policy will require to be reviewed and revised by the Audit Committee and then by the Board of Directors.

Five Years at a Glance

(Amount in Rupees Lakhs)

	For the years ended on				
	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
STATEMENT OF PROFIT & LOSS					
Sales	69,972	65,223	60,119	56,234	54,026
Other Income	1,021	910	628	352	465
Total Income	70,993	66,133	60,747	56,586	54,491
Expenditure	57,424	55,228	50,853	48,323	46,223
PBIDT	13,569	10,905	11,657	9,904	9,796
Depreciation & Amortisation	2,322	1,912	1,756	1,635	1,467
Finance Cost	0	0	7	6	61
Profit Before Tax (PBT)	11,237	8,993	9,894	8,263	8,268
Profit After Tax (PAT)	7,359	5,917	6,517	5,576	5,522
BALANCE SHEET					
Assets Employed					
Fixed Assets	14,505	15,183	13,896	13,952	13,909
Working Capital:					
Current Assets	48,535	41,317	35,412	32,079	45,178
Less : Current Liabilities	13,805	12,389	10,353	10,947	28,641
Working Capital Employed	34,730	28,928	25,059	21,132	16,537
Long Term loans & advances	1,364	1,313	2,451	(included above)	
Total Assets Employed	50,599	45,424	41,406	35,084	30,446
Financed By :					
Shareholders' Funds					
Share Capital	2,030	2,030	2,030	2,030	2,030
Reserves & Surplus	47,668	41,903	37,684	32,295	27,780
Total of Shareholders' Funds	49,698	43,933	39,714	34,325	29,810
Non-Current Liabilities	901	1,491	1,692	759	636
Total Funds Employed	50,599	45,424	41,406	35,084	30,446
OTHER INFORMATION					
Dividend (Rs Lakhs)	1,269	1,421	964	913	863
Rate of Dividend (%)	62.50%	70.00%	47.50%	45%	42.50%
Number of Shareholders (nos)	11,907	11,647	12,006	12,762	12,274
Number of Employees (nos)	435	438	448	446	452
Earnings per share (EPS) (Rs)	36.26	29.15	32.10	27.48	27.21
Return on Capital Employed (ROCE) (%)	14.77	13.03	15.76	15.91	18.34
Economic Value Added (EVA) (Rs Lakhs)	6228	4786	5387	4446	4392

Independent Auditors' Report

TO THE MEMBERS OF VESUVIUS INDIA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Vesuvius India Limited ("the Company"), which comprise the Balance Sheet as at 31 December 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting 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.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31 December 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, report that:
 - (a) We have sought and obtained all the information and explanation 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, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Financial statements comply with Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 December 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - refer note 26 (a) to the financial statement;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There were no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayanta Mukhopadhyay
Partner

Membership No. 055757

Place : Kolkata
Date : February 26, 2016

Annexure to the Auditors' Report

(REFERRED TO IN OUR REPORT OF EVEN DATE)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the management and no material discrepancies were noticed on such verification.
- (ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification between the physical stocks and the book records.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any continuing failure to correct major weakness in the internal control system.
- (v) The Company has not accepted any deposit from the public in accordance with the provision of section 73 to 76 of the Act and rules framed thereunder.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148(1) of the Act in respect of the products manufactured by the Company and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Value added tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Value added tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues were in arrears as at 31 December 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Wealth tax which have not been deposited with the appropriate authorities on account of any dispute.

According to the information and explanations given to us, the following dues of Income-tax, Sales-tax, Value added tax, Service tax, Customs duty, Excise duty, Cess and Entry tax have not been deposited with the appropriate authorities on account of disputes:

Name of the statute	Nature of the dues	Amount (Rs in lakhs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowances arising in income tax proceedings (Net of deposit of Rs. 12,867 lakhs)	952	Assessment years 1997-98 to 2010-11	Hon'ble High Court of Calcutta, Income Tax Appellate Tribunal, Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Disallowance of Cenvat Credit	256	2006 to 2014	Additional Commissioner, Assistant Commissioner, Commissioner (Appeals), Central Excise and Service Tax Appellate Tribunal, Supreme Court of India
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,
Central Excise Act, 1944	Penalty for delayed payment of differential excise duty for supply of goods under Advance Intermediate licence.	20	June 1999 to April 2000	Central Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Classification of High Alumina Cement	31	2005 to 2011	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Non / short payment of service tax	12	2006-2008	Central Excise and Service Tax Appellate Tribunal
Central Sales Tax Act, 1956	Non-submission of declaration form. (Net of deposit of Rs. 106 lakhs)	2,053	2002-03, 2005-06, 2008-09, 2009-10, 2010-11, 2011-12	Commissioner (Appeals), Sales Tax Appellate Tribunal, Hon'ble High Court of Calcutta
State Sales Tax Act 2003	Disallowance of Input credit (Net of deposit of Rs. 99 lakhs)	173	2005-06, 2006-07, 2010-11, 2011-12	Commissioner (Appeals), Supreme Court
The West Bengal Tax on entry of Goods into Local Areas Act, 2012	Entry Tax	230	June 2013 to December 2015	Hon'ble High Court of Calcutta

(c) According to the information and explanations given to us, the amount which were required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has neither taken any loan from financial institution or bank nor has it issued any debentures during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, the Company did not have term loans outstanding during the year.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayanta Mukhopadhyay
Partner

Membership No. 055757

Place : Kolkata
Date : February 26, 2016

Balance Sheet

AS AT DECEMBER 31, 2015

(Amount in Rupees Lakhs)

	Note No.	As at December 31, 2015		As at December 31, 2014	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	3	2,030		2,030	
(b) Reserves and surplus	4	47,668	49,698	41,903	43,933
(2) Non-current liabilities					
(a) Deferred tax liabilities (net)	5	121		450	
(b) Long-term provisions	6	780	901	1,041	1,491
(3) Current liabilities					
(a) Trade payables					
- total outstanding dues of micro enterprises and small enterprise	7	134		47	
- total outstanding dues of creditors other than micro enterprises and small enterprises	7	10,158		8,967	
(b) Other current liabilities	8	1,583		1,569	
(c) Short-term provisions	6	1,930	13,805	1,806	12,389
TOTAL			64,404		57,813
II. ASSETS					
(1) Non-current assets					
(a) Fixed Assets					
(i) Tangible assets	9 (a)	13,078		13,214	
(ii) Intangible assets	9 (b)	3		15	
(iii) Capital work-in-progress	10	1,424		1,954	
		14,505		15,183	
(b) Long-term loans and advances	11	1,364	15,869	1,313	16,496
(2) Current assets					
(a) Inventories	12	7,262		7,171	
(b) Trade receivables	13	22,660		18,685	
(c) Cash and bank balances	14	17,338		14,307	
(d) Short-term loans and advances	15	1,062		921	
(e) Other current assets	16	213	48,535	233	41,317
TOTAL			64,404		57,813

Significant Accounting Policies 2

Notes to Financial Statements 1 to 43

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Jayanta Mukhopadhyay

Partner

Membership No. 055757

Place : Kolkata

Date : February 26, 2016

For and on behalf of the Board of Directors of

Vesuvius India Limited

CIN: L26933WB1991PLC052968

Subrata Roy

MANAGING DIRECTOR

DIN : 07046994

Taposh Roy

COMPANY SECRETARY

Place : Kolkata

Date : February 26, 2016

Biswadip Gupta

CHAIRMAN

DIN : 00048258

Sanjoy Dutta

CHIEF FINANCIAL OFFICER

Statement of Profit and Loss

FOR THE YEAR ENDED DECEMBER 31, 2015

(Amount in Rupees Lakhs)

	Note No.	For the year ended December 31, 2015	For the year ended December 31, 2014
I. Revenue from operations			
(a) Sale of products (gross)	17	73,766	68,133
Less : Excise duty		6,649	5,966
Sale of products (net)		67,117	62,167
(b) Sale of services		2,729	3,000
(c) Other operating revenues		126	56
Total Revenue from operations		69,972	65,223
II. Other Income	18	1,021	910
III. Total Revenue (I + II)		70,993	66,133
IV. Expenses			
(a) Cost of materials consumed	19	26,095	25,380
(b) Purchase of stock-in-trade	20	13,118	12,211
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(489)	179
(d) Employee benefit expense	22	4,646	4,308
(e) Depreciation and amortisation expense	23	2,322	1,912
(f) Other expenses	24	14,054	13,150
Total expenses		59,746	57,140
V. Profit before Corporate social responsibility expense and tax (III-IV)		11,247	8,993
VI. Corporate social responsibility expense	41	10	—
VII. Profit before tax (V-VI)		11,237	8,993
VIII. Tax expense			
(i) Current tax		4,172	3,152
(ii) Income tax relating to earlier years		—	364
(iii) Deferred tax credit (refer note 40)		(294)	(440)
XI. Profit for the year (VII-VIII)		7,359	5,917
X. Earnings per equity share	25		
[nominal value of shares Rs 10 (previous year Rs 10)]			
Basic (in Rs)		36.26	29.15
Diluted (in Rs)		36.26	29.15

Significant Accounting Policies 2

Notes to Financial Statements 1 to 43

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Jayanta Mukhopadhyay

Partner

Membership No. 055757

Place : Kolkata

Date : February 26, 2016

For and on behalf of the Board of Directors of

Vesuvius India Limited

CIN: L26933WB1991PLC052968

Subrata Roy

MANAGING DIRECTOR

DIN : 07046994

Taposh Roy

COMPANY SECRETARY

Place : Kolkata

Date : February 26, 2016

Biswadip Gupta

CHAIRMAN

DIN : 00048258

Sanjoy Dutta

CHIEF FINANCIAL OFFICER

Cash Flow Statement

FOR THE YEAR ENDED DECEMBER 31, 2015

(Amount in Rupees Lakhs)

Particulars	For the year ended December 31, 2015	For the year ended December 31, 2014
Cash Flows from Operating Activities		
Net Profit Before Tax	11,237	8,993
Adjustments for :		
Depreciation and amortisation expenses	2,322	1,912
Provision for doubtful debts	92	36
Provision for doubtful advances	–	47
Provision for doubtful debts written back	(14)	(8)
Bad debts expenses	12	7
Loss/(gain) on sale/disposal of fixed assets (net)	(4)	6
Unrealised loss/(gain) foreign exchange differences (net)	33	(7)
Interest income on fixed deposits	(946)	(820)
Operating profit before working capital changes	12,732	10,166
Adjustments for (increase)/decrease in operating assets :		
Trade receivables	(4,132)	(749)
Inventories	(91)	(1,291)
Short-term loans and advances	(141)	–
Long-term loans and advances	(11)	26
Other current assets	23	(152)
Adjustments for increase /(decrease) in operating liabilities :		
Trade payables	1,311	1,426
Other current liabilities	21	146
Short-term provisions	(15)	2
Long-term provisions	(261)	239
Cash generated from Operations	9,436	9,813
Income taxes paid	(4,040)	(3,359)
Net cash provided/(used) by operating activities (A)	5,396	6,454
Cash flows from investing activities		
Purchase of fixed assets	(1,854)	(2,210)
Proceeds from sale of fixed assets	6	10
Interest received	943	789
(Purchase)/Redemption of Fixed deposits (with maturity more than three months)	(1,200)	(1,400)
Net cash provided/(used) by investing activities (B)	(2,105)	(2,811)
Cash flows from financing activities		
Dividends paid	(1,217)	(1,165)
Dividend tax paid	(243)	(198)
Net cash provided/(used) in financing activities (C)	(1,460)	(1,363)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,831	2,280
Cash and cash equivalents at the beginning of the year (refer note 1 below)	9,507	7,227
Cash and cash equivalents at the end of the year (refer note 1 below)	11,338	9,507

(Amount in Rupees Lakhs)

Notes to Cash Flow Statement

	As at December 31, 2015	As at December 31, 2014
1. Components of cash and cash equivalents:		
Cash on hand	1	1
Balance with scheduled banks:		
- On Current accounts	799	669
- On Deposit accounts (deposits having original maturity of 3 months or less)	10,500	8,800
- On unpaid dividend accounts	38	37
- Bank deposits due to mature after 3 months of original maturity but within 12 months of the reporting date	6,000	4,800
Cash and bank balances as per note 14	17,338	14,307
Less : Fixed Deposits not considered as cash and cash equivalent:		
- Fixed Deposits [with maturity more than three months (refer note 14)]	6,000	4,800
	11,338	9,507

- Unpaid dividend accounts are not available for use by the Company.
- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on Cash Flow Statement (AS 3) notified by Companies (Accounting Standards) Rules, 2006.
- Previous year's figures have been regrouped and/or rearranged wherever considered necessary to conform to current year's presentation.

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Jayanta Mukhopadhyay

Partner

Membership No. 055757

Place : Kolkata

Date : February 26, 2016

For and on behalf of the Board of Directors of

Vesuvius India Limited

CIN: L26933WB1991PLC052968

Subrata Roy

MANAGING DIRECTOR

DIN : 07046994

Taposh Roy

COMPANY SECRETARY

Place : Kolkata

Date : February 26, 2016

Biswadip Gupta

CHAIRMAN

DIN : 00048258

Sanjoy Dutta

CHIEF FINANCIAL OFFICER

Notes to Financial Statements

For the Year Ended December 31, 2015

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.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013, ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 1956, to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest lakhs.

2.2 Use of estimate

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Current and non-current classification

All assets and liabilities are classified into current and non-current.

2.3.1 Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

2.3.2 Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after the reporting date; or

- d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of products, services and the time between the acquisition of assets or inventories for production, processing and their realisation in cash or cash equivalents.

2.4 Fixed assets and depreciation

2.4.1 Tangible fixed assets

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation, amortisation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Tangible fixed assets under construction are disclosed as capital work-in-progress.

Depreciation on fixed assets are provided on straight line method over the useful lives of assets in the manner specified in Part C of Schedule II of the Companies Act, 2013.

The useful life of asset as prescribed in Part C of Schedule II of the Companies Act, 2013 are considered as the minimum useful life. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is more than that envisaged in the aforesaid schedule, depreciation is provided at a lower rate based on the management's estimate of the useful life/remaining useful life.

Pursuant to this policy:

- (a) Toolings are depreciated over a period of three years;
- (b) Tundish Mechanisms installed at customers' site are depreciated using unit-of-production method; and
- (c) Certain items of plant and machinery at customers' site other than (b) above, are depreciated over a period of three years.

Plant and equipments and furniture and fixtures, costing individually Rs 5,000 or less, are depreciated fully in the year of purchase. If the aggregate of such items of plant and equipments constitutes more than 10 percent of the total actual cost of plant and equipments, the depreciation rates applicable to such items are applied.

Spares capitalised are being depreciated over the useful lives of plant and machinery with which such spares can be used.

Immoveable assets constructed on leasehold land are being depreciated over their useful lives that are higher than period of leases. Based on extension granted to land possession of other companies under

Notes to Financial Statements *(Contd.)*

For the Year Ended December 31, 2015

similar circumstances, management believes that, in case of the company, the existing period of leases will be extended beyond the useful lives of immoveable assets constructed thereon.

Freehold land is not depreciated. Cost of acquisition of leasehold rights is amortised on a straight line basis over the period of respective lease except land acquired on perpetual lease.

Depreciation and amortisation for the year is recognised in the Statement of Profit and Loss.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown under 'Other current assets'. Losses arising from retirement or gains or losses arising from discard/disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

2.4.2 Intangible fixed assets

i) Acquired intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

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

The amortisation rate for Computer Software is 33%.

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from discard/disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

2.5 Impairment

Fixed assets (tangible and intangible) are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in the Statement of Profit and Loss.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. For assets, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

2.6 Operating leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term.

2.7 Inventories

Inventories which comprises of raw materials, work-in-progress, finished goods, stock-in-trade and stores and spares are carried at the lower of cost and net realisable value.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining the cost, weighted average cost method is used. In the case of finished goods and work-in-progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

Raw materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

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.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Excise duty liability is included in the valuation of closing inventory of finished goods.

2.8 Employee benefits

2.8.1 Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries, wages and bonus. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Cost of non-accumulating compensated absences is recognised when absences occur. Costs of other short term employee benefits includes compensated leave balance which are en-cashable 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.

Notes to Financial Statements *(Contd.)*

For the Year Ended December 31, 2015

2.8.2 Post employment benefits

(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 Statement of Profit and 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 (LIC). Contributions are deposited with the LIC and charged off on a monthly basis.

(b) Defined benefit plans

The Company's gratuity benefit schemes are defined benefit plans. The Trustees of the scheme has entrusted the administration of the related fund to the Life Insurance Corporation of India (LIC) and SBI Life Insurance Company Limited (SBI Life). The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method. Contributions are deposited with the LIC and the SBI Life based on intimations received by the Company.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

(c) Compensated Absences

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. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

2.9 Revenue recognition

Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. Revenue from sale of services (excluding service tax) is recognised on completion of service in accordance with terms of the agreement. The amount recognised as revenue is exclusive of sales tax / value added taxes (VAT) and service tax, and is net of returns, trade discounts and quantity discounts.

Export incentives in the form of Duty drawback scheme and Status Holders Incentive Scrip (SHIC) are recognised on accrual basis against goods exported.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

2.10 Foreign exchange transactions

Foreign exchange transactions are recorded at monthly rates that closely approximate the actual rates during that month.

Year-end monetary assets and liabilities denominated in foreign currencies are translated at the year-end foreign exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

A foreign currency monetary item is classified as long-term if it has original maturity of one year or more.

2.11 Government Grant

Grants from the government are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant relates to a depreciable asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset. Grants related to non depreciable assets are credited to Capital Reserve.

2.12 Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Contingencies

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

2.13 Contingent liabilities and contingent assets

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 neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.14 Income tax

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Income-tax expense is recognised in the Statement of Profit and Loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

Notes to Financial Statements *(Contd.)*

For the Year Ended December 31, 2015

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

2.15 Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year, except where the results would be anti-dilutive.

(Amount in Rupees Lakhs)

	As at December 31, 2015	As at December 31, 2014
3. SHARE CAPITAL		
<i>Authorised</i>		
25,000,000 (Previous Year 25,000,000)		
Equity Shares of Rs 10/- each	<u>2,500</u>	<u>2,500</u>
<i>Issued</i>		
20,300,000 (Previous Year 20,300,000)		
Equity Shares of Rs 10/- each	<u>2,030</u>	<u>2,030</u>
Of the above :		
3,920 (Previous Year 3,920) Equity Shares of Rs 10 each are held in abeyance (Refer note below)		
<i>Subscribed and fully Paid up</i>		
20,296,080 (Previous Year 20,296,080)		
Equity Shares of Rs 10/- each	<u>2,030</u>	<u>2,030</u>

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)

Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	As at December 31, 2015		As at December 31, 2014	
	Number	Amount	Number	Amount
Equity shares				
At the commencement of the year	20,296,080	2,030	20,296,080	2,030
Shares issued during the year	—	—	—	—
At the end of the year	<u>20,296,080</u>	<u>2,030</u>	<u>20,296,080</u>	<u>2,030</u>

Rights, preferences and restrictions 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 shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder, other than on show of hands, are in proportion to its share of the paid-up equity capital of the Company.

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.

Shares held by holding company

	As at December 31, 2015		As at December 31, 2014	
	Number	Amount	Number	Amount
Equity shares of Rs 10 each fully paid up held by immediate holding company - Vesuvius Group Limited, United Kingdom (U.K.) *#	<u>11,277,650</u>	<u>1,128</u>	<u>11,277,650</u>	<u>1,128</u>

* Subsidiary of Vesuvius plc. U.K. - the ultimate holding company.

The companies, namely Vesuvius plc U.K., Vesuvius Holding Limited (formerly, Cookson Group plc) and Vesuvius Financial 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.

Particulars of shareholders holding more than 5% shares of a class of shares

	As at December 31, 2015		As at December 31, 2014	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of Rs 10 each fully paid-up held by :				
- Vesuvius Group Limited, U.K., immediate holding company	11,277,650	55.57	11,277,650	55.57
- HDFC Trustee Company Limited (A/c HDFC Mid Cap Opportunities Fund)	1,111,500	5.48	1,111,500	5.48

Notes to Financial Statements (Contd.)

For the Year Ended December 31, 2015

(Amount in Rupees Lakhs)

4. Reserves and surplus

Capital Reserve *

At the commencement and
at the end of the year

18

18

Securities Premium account

At the commencement and
at the end of the year

1,695

1,695

General Reserve

At the commencement of the year
Add : Amount transferred from surplus

5,222

4,630

736

592

5,958

5,222

Surplus (Balance in Statement of Profit and Loss)

At the commencement of the year
Less : Depreciation adjustment (refer note 40)
Add : Profit for the year

34,968

31,341

68

–

7,359

5,917

42,259

37,258

Less : Appropriation

Proposed dividend on equity shares
[Amount **Rs. 6.25** per share
(Previous year Rs. 6 per share)]
Interim dividend on equity shares
[Amount **Re. Nil** per share
(Previous year Re. 1 per share)]
Income tax on proposed
dividend on equity shares
Income tax on interim
dividend on equity shares
Transferred to General Reserve

1,268

1,218

–

203

258

243

–

34

736

592

39,997

34,968

47,668

41,903

* Represents Grants received in prior years
against reimbursement of stamp duty and
cost of freehold land at Vishakhapatnam.

5. Deferred tax liabilities (net)

Deferred tax liabilities

Difference between written down value of
depreciable assets as per books of account
and written down value as per Income Tax Act *

572

743

Deferred tax assets

Expenditure allowable on payments basis
Provision for doubtful trade receivables, advances, etc.
Voluntary retirement expenses

378

233

72

59

1

1

451

293

121

450

* Includes adjustment made for deferred tax aggregating to Rs 364 lakhs in the previous year ended December 31, 2014. arising on account of the depreciation on tooling claimed by the Company on the basis of rates given in the Income Tax Act, 1961. Also refer note 26 (a)(i)(b).

(Amount in Rupees Lakhs)

6. Provisions

	Long Term		Short Term	
	As at 31.12.2015	As at 31.12.2014	As at 31.12.2015	As at 31.12.2014
Provision for employee benefits				
Gratuity (refer note 35)	671	459	—	—
Compensated absences (refer note 35)	109	582	6	21
	<u>780</u>	<u>1,041</u>	<u>6</u>	<u>21</u>
Other provision				
Provision for income tax	—	—	398	324
[Net of advance income tax and fringe benefit tax of Rs 11,261 (previous year Rs 8,021)]				
Proposed dividend on equity shares	—	—	1,268	1,218
Income tax on proposed dividend on equity shares	—	—	258	243
	<u>—</u>	<u>—</u>	<u>1,924</u>	<u>1,785</u>
	<u>780</u>	<u>1,041</u>	<u>1,930</u>	<u>1,806</u>

7. Trade payables

- total outstanding dues of micro enterprises and small enterprises (refer note 32)
- total outstanding dues of creditors other than micro enterprises and small enterprises

As at 31.12.2015	As at 31.12.2014
134	47
10,158	8,967
<u>10,292</u>	<u>9,014</u>
78	190
94	101
38	37
<u>1,373</u>	<u>1,241</u>
<u>1,583</u>	<u>1,569</u>

8. Other current liabilities

- Advance from customers
- Amount payable for capital goods
- Unpaid dividend *
- Other payables #

* This represents dividend unclaimed by shareholders. There is no amount due and outstanding to be credited to Investor Education and Protection Fund as on December 31, 2015.

Other payables comprises of :

Statutory liabilities :

Excise Duty and Service tax payable	289	212
Sales tax, Value added tax and Entry tax payable	329	339
Tax deducted at source payable	100	113
Provident Fund payable and Employee State Insurance Payable	35	34
	<u>753</u>	<u>698</u>

Liability for other expenses

620	543
<u>1,373</u>	<u>1,241</u>

Notes to Financial Statements (Contd.)

For the Year Ended December 31, 2015

9 (a). Tangible Fixed Assets

(Amount in Rupees Lakhs)

Particulars	Freehold land	Leasehold land	Buildings*	Plant and Equipments	Toolings	Furniture and Fixtures	Vehicles	Office Equipment including computers	Electrical Installations	Total
Gross Block										
Balance as at January 1, 2014	274	640	4,862	15,159	3,233	249	3	765	556	25,741
Additions	—	—	121	906	640	—	—	130	1	1,798
Discard/disposals	—	—	—	98	—	—	—	121	—	219
Balance as at December 31, 2014	274	640	4,983	15,967	3,873	249	3	774	557	27,320
Balance as at January 1, 2015	274	640	4,983	15,967	3,873	249	3	774	557	27,320
Additions	—	—	195	1,529	491	3	—	20	41	2,279
Discard/disposals	—	—	—	51	—	—	—	101	—	152
Balance as at December 31, 2015	274	640	5,178	17,445	4,364	252	3	693	598	29,447
Depreciation										
Balance as at January 1, 2014	—	385	1,177	7,609	2,503	97	2	409	233	12,415
Depreciation for the year	—	33	157	1,118	481	14	—	72	19	1,894
Accumulated depreciation on discard/disposals	—	—	—	82	—	—	—	121	—	203
Balance as at December 31, 2014	—	418	1,334	8,645	2,984	111	2	360	252	14,106
Balance as at January 1, 2015	—	418	1,334	8,645	2,984	111	2	360	252	14,106
Depreciation for the year	—	33	164	1,346	539	39	—	128	61	2,310
Accumulated depreciation on discard/disposals	—	—	—	50	—	—	—	100	—	150
Depreciation adjusted with opening Surplus (refer to note 40)	—	—	—	1	—	6	—	90	6	103
Balance as at December 31, 2015	—	451	1,498	9,942	3,523	156	2	478	319	16,369
Net block										
As at December 31, 2014	274	222	3,649	7,322	889	138	1	414	305	13,214
As at December 31, 2015	274	189	3,680	7,503	841	96	1	215	279	13,078

* Buildings includes gross block of **Rs 3,249** (previous year Rs 3,249) and **Rs 198** (previous year Rs 198) situated at leasehold lands at Kolkata and Mehsana respectively.

(Amount in Rupees Lakhs)

9 (b). Intangible fixed assets

Gross Block - Computer Software		Total	Depreciation-Computer Software		Total
Balance as at January 1, 2014		133	Balance as at January 1, 2014		100
Additions		–	Amortisation for the year		18
Discard/disposal		–	Accumulated amortisation on Discard/disposals		–
Balance as at December 31, 2014		133	Balance as at December 31, 2014		118
Balance as at January 1, 2015		133	Balance as at January 1, 2015		118
Additions		–	Amortisation for the year		12
Discard/disposal		–	Accumulated amortisation on Discard/disposals		–
Balance as at December 31, 2015		133	Balance as at December 31, 2015		130
			Net Block		
			As at December 31, 2014		15
			As at December 31, 2015		3

10.	Capital work-in-progress	Total
	Balance as at January 1, 2014	537
	Additions	1,608
	Assets capitalised during the year	(1,159)
	Transferred from long term capital advance	968
	Balance as at December 31, 2014	1,954
	Balance as at January 1, 2015	1,954
	Additions	1,264
	Assets capitalised during the year	(1,794)
	Balance as at December 31, 2015	1,424

11. Long-term loans and advances

	Non-current portion		Current portion	
	As at 31.12.2015	As at 31.12.2014	As at 31.12.2015	As at 31.12.2014
To parties other than related parties				
Capital advances (Unsecured, considered good)	131	33	–	–
	131	33	–	–
Security deposits (Unsecured, considered good)	184	180	44	–
	184	180	44	–
Other loans and advances (Unsecured, considered good)				
To employees	79	88	27	21
Prepaid expenses	17	13	237	228
Deposits against demand in disputes	223	211	–	–
Advance income tax and fringe benefit tax [net of provision for income tax and advance fringe benefit tax of Rs 21,553 (previous year Rs 18,108)]	730	788	–	–
	1,049	1,100	264	249
	1,364	1,313	308 *	249 *

* Amount disclosed under 'Short-term loans and advances' (refer note 15)

Notes to Financial Statements *(Contd.)*

For the Year Ended December 31, 2015

(Amount in Rupees Lakhs)

12. Inventories

(Valued at the lower of cost and net realisable value)

Raw Materials [including goods in transit **Rs 1,217** (previous year Rs1,265)]

Work-in-progress

Finished goods [including goods in transit **Rs 63** (previous year Rs 17)]

Stock-in-trade [including goods in transit **Rs 691** (previous year Rs 370)]

Stores and spares [including goods in transit **Rs Nil** (previous year Rs 17)]

**As at
December 31, 2015**

**As at
December 31, 2014**

3,729

4,147

836

849

1,304

953

892

741

501

481

7,262

7,171

13. Trade receivables

Receivables outstanding for a period exceeding six months from the date they became due for payment

Unsecured, considered good

Doubtful

484

367

125

84

609

451

Less : Provision for doubtful receivables

125

84

484

367

Other receivables

Unsecured, considered good

Doubtful

22,176

18,318

36

42

22,212

18,360

Less : Provision for doubtful receivables

36

42

22,176

18,318

22,660

18,685

(Amount in Rupees Lakhs)

14. Cash and bank balances

Cash and cash equivalents

– Cash on hand	1	1
– Balances with banks		
On current accounts	799	669
On deposit accounts	10,500	8,800
(with original maturity of 3 months or less)		

Other bank balances

– On Unpaid dividend account *	38	37
– Bank deposits due to mature after 3 months of original maturity but within 12 months of the reporting date	6,000	4,800

17,338	14,307
---------------	---------------

Details of bank balances/deposits

Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	10,500	8,800
--	--------	-------

Bank deposits due to mature after 3 months of original maturity but within 12 months of the reporting date	6,000	4,800
--	-------	-------

Bank deposits due to mature after 12 months of the reporting date	–	–
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16,500	13,600
---------------	---------------

* Not available for use by the Company.

15. Short-term loans and advances

(Unsecured, considered good)

To parties other than related parties

Current portion of long-term loans and advances (refer note 11)	308	249
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Advance for supply of goods and services	303	178
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Less: Provision for doubtful advances	47	47
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Advance to employees	49	26
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Claims and refunds receivable	11	11
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Balances with statutory / government authorities	438	504
--	-----	-----

1,062	921
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16. Other current assets

Interest accrued but not due on fixed deposits	83	80
--	----	----

(Unsecured, considered good)		
------------------------------	--	--

Export benefits receivable	28	–
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Insurance claim receivable	102	153
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(includes amount receivable in note 39)		
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213	233
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Notes to Financial Statements *(Contd.)*

For the Year Ended December 31, 2015

(Amount in Rupees Lakhs)

	For the year ended December 31, 2015	For the year ended December 31, 2014
17. Revenue from operations		
Sales of products		
Finished goods (Manufactured goods)	51,682	48,258
Stock-in-trade (For trading)	22,084	19,875
Sale of products (gross)	73,766	68,133
Less : Excise duty	6,649	5,966
Sale of products (net)	67,117	62,167
 Sale of services	 2,729	 3,000
 Other operating revenue		
Exports benefits	74	—
Scrap sales	52	56
	126	56
 Break-up of revenue from sale of products		
Finished goods (Manufactured goods)		
Refractories (Shaped)	25,200	24,674
Refractories (Unshaped)	26,482	23,584
	51,682	48,258
 Stock-in-trade (For trading)		
Refractories (Shaped)	11,391	9,389
Refractories (Unshaped)	10,693	10,486
	22,084	19,875
 Sales of products (gross)	73,766	68,133
 Break-up of revenue from services rendered		
Repairs and maintenance services	2,729	3,000
 18. Other Income		
Interest income on fixed deposits	946	820
Interest income on others	28	—
Profit on sale of fixed assets [Net of loss on sale of fixed assets of Rs. 1 (Previous year Rs. Nil)]	4	—
Other non-operating income *	43	90
	1,021	910

* Includes provision for doubtful debts no longer required written back **Rs. 14** (previous year Rs. 8)

(Amount in Rupees Lakhs)

19. Cost of materials consumed

	For the year ended December 31, 2015	For the year ended December 31, 2014
Inventory of raw materials at the beginning of the year	4,147	2,780
Purchases	25,677	26,747
	<u>29,824</u>	<u>29,527</u>
Less: Inventory of raw materials at the end of the year	3,729	4,147
	<u>26,095</u>	<u>25,380</u>

Break-up of cost of raw materials consumed

Alumina	5,313	4,727
Bauxite	2,728	2,841
Aluminous Cement	1,111	1,003
Graphite	1,684	1,733
Imported Mix	448	495
Mulcoa	733	819
Resin	584	791
Silicon Carbide	4,001	3,720
Slide gate plates	492	504
Zirconia	2,066	2,035
Others*	6,935	6,712
	<u>26,095</u>	<u>25,380</u>

Break-up of inventory of raw materials

Alumina	428	411
Bauxite	464	369
Aluminous Cement	190	267
Graphite	98	203
Imported Mix	175	181
Mulcoa	103	188
Resin	16	25
Silicon Carbide	346	494
Slide gate plates	325	68
Zirconia	451	440
Others*	1,133	1,501
	<u>3,729</u>	<u>4,147</u>

* Consists of various items each of whose value is less than 10% of total value of raw materials

20. Purchase of stock-in-trade

Purchase of stock-in-trade :		
Refractories (Shaped)	5,049	5,223
Refractories (Unshaped)	8,069	6,988
	<u>13,118</u>	<u>12,211</u>

Notes to Financial Statements (Contd.)

For the Year Ended December 31, 2015

21. Changes in inventory of finished goods, work-in-progress and stock-in-trade (Amount in Rupees Lakhs)

	For the year ended December 31, 2015			For the year ended December 31, 2014		
	Opening Inventory	Closing Inventory	(Increase) / Decrease in Inventory	Opening Inventory	Closing Inventory	(Increase) / Decrease in Inventory
Finished goods (Manufactured goods)						
Refractory (Shaped)	798	1,069	(271)	1,028	798	230
Refractory (Unshaped)	155	235	(80)	273	155	118
	<u>953</u>	<u>1,304</u>	<u>(351)</u>	<u>1,301</u>	<u>953</u>	<u>348</u>
Stock-in-trade (For trading)						
Refractory (Shaped)	701	834	(133)	417	701	(284)
Refractory (Unshaped)	40	58	(18)	32	40	(8)
	<u>741</u>	<u>892</u>	<u>(151)</u>	<u>449</u>	<u>741</u>	<u>(292)</u>
Work-in-progress						
Refractory (Shaped)	496	495	1	732	496	236
Refractory (Unshaped)	353	341	12	240	353	(113)
	<u>849</u>	<u>836</u>	<u>13</u>	<u>972</u>	<u>849</u>	<u>123</u>
Total	<u>2,543</u>	<u>3,032</u>	<u>(489)</u>	<u>2,722</u>	<u>2,543</u>	<u>179</u>

Notes to Financial Statements *(Contd.)*

For the Year Ended December 31, 2015

(Amount in Rupees Lakhs)

	For the year ended December 31, 2015	For the year ended December 31, 2014
22. Employee benefits expense		
Salaries, wages and bonus	3,296	3,050
Contribution to provident and other funds (refer note 35)	620	511
Compensated absences (refer note 35)	33	128
Staff welfare expenses	697	619
	<u>4,646</u>	<u>4,308</u>
23. Depreciation and amortisation expense		
Depreciation on tangible fixed assets [refer note 9(a)]	2,310	1,894
Amortisation of intangible fixed assets [refer note 9(b)]	12	18
	<u>2,322</u>	<u>1,912</u>

Notes to Financial Statements (Contd.)

For the Year Ended December 31, 2015

(Amount in Rupees Lakhs)

24. Other expenses

	For the year ended December 31, 2015		For the year ended December 31, 2014	
Consumption of stores and spares*		459		407
Excise duty on increase/(decrease) in inventory of finished goods		62		(34)
Power and fuel		1,651		2,042
Freight		3,340		3,107
Site expenses		3,101		2,745
Rent (refer note 42)		280		195
Repairs to :				
Buildings	121		149	
Machinery	895		751	
Others	148	1,164	142	1,042
Insurance		132		95
Rates and taxes		275		193
Travelling and conveyance expenses		1,199		1,130
Legal and professional fees		162		143
Payment to auditors (refer note below)		36		29
Commission		136		35
Directors' commission		21		13
Advertisement and sales promotion		45		86
Bank charges		52		50
Communication cost		120		122
Printing and stationery		47		57
Royalty, Trademark license fees		1,064		935
Management fees		323		361
Loss on foreign exchange fluctuations [Net of foreign exchange gain of Rs. 199 (previous year Rs. 86)]		93		147
Provision for doubtful debts		92		36
Bad debts	55		7	
Less : Adjusted with provisions	43	12	—	7
Loss on sale / discard of fixed assets [Net of profit on sale of fixed assets of of Rs. Nil (previous year Rs. 5)]		—		6
Provision for doubtful advance		—		47
Miscellaneous expenses **		188		154
		14,054		13,150

Note : Payment to auditors

As auditor :				
Statutory audit		18		15
Limited review of quarterly results		5		4
In other capacity :				
Group reporting		8		5
Audit of tax accounts		3		2
Reimbursement of expenses		2		3
		36		29

* Excludes stores and spares consumed and included under the heads Repairs - Machinery **Rs. 304** (previous year Rs. 218) and Site expenses **Rs. 322** (previous year Rs. 308)

** Include fees paid to cost auditor **Rs. 2** (previous year Rs. 2)

(Amount in Rupees Lakhs)

25. Earnings per share (EPS)

Basic and diluted earning per share

The calculation of basic diluted earnings per share for the year ended December 31, 2015 is based on the profit attributable to equity shareholders of **Rs 7,359** (previous year Rs 5,917), and weighted average number of equity shares outstanding of **20,296,080** (previous year 20,296,080).

	For the year ended December 31, 2015	For the year ended December 31, 2014
Earnings		
Profit after tax	7,359	5,917
Net profit attributable to equity shareholders for calculation of basic and diluted EPS	7,359	5,917
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)	36.26	29.15
Nominal value of equity share (in Rs)	10	10

26. 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 31.12. 2015	As at 31.12.2014	
a.	Sales Tax/Value Added Tax	2,431	4,841	Demand received from appropriate authorities in relation to Sales tax/ VAT assessment and non submission of statutory forms.
b.	Other Income Tax matters	1,027	930	Demands received from appropriate authorities in relation to Income Tax including transfer pricing assessments. Also refer note below.
c.	Excise Duty, Customs Duty and Service Tax matters	427	396	Demands received from appropriate authorities in relation to Excise Duty, Custom Duty and Service Tax matters.

Note :

The Company has claimed deduction for cost of Tooling purchased during the relevant assessment years for the purpose of ascertaining income tax liability for the period till assessment year 2013-2014.

The Income tax department had disallowed the Company's claim for deduction and had allowed deduction on the basis of actual toolings consumed. The Income Tax Appellate Tribunal (ITAT) vide its order dated December 16, 2003 has directed the department to allow expenses based on actual quantity consumed. The Company has disputed such decision on the contention that the entire purchase is issued to the production process and hence should be treated as consumption and has made an application to the Hon'ble High Court at Calcutta seeking further clarifications of the ITAT order. The relevant orders from the income tax departments giving effect of ITAT order is yet to be received by the Company.

During the previous year ended 31 December 2014, the Company, for the purpose of income tax computation, has claimed deduction for depreciation on tooling on the basis of rates given in the Income Tax Act from the Assessment Year 2007-08 onwards. Accordingly, adjustment for income tax liability aggregating to Rs. 364 lakhs, arising on account of the aforesaid change in the method of deduction claimed, had been accounted for in the books of account in the books of account in the previous year ended 31 December 2014.

The amount of interest/penalty, if any, that could be demanded by the Income tax department on account of the aforesaid adjustment cannot be currently ascertained and hence no provision has been made in the books of account for the same.

(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** (previous year Rs 749) regarding certain disputes relating to goods supplied by the Company in prior years.

	As at December 31, 2015	As at December 31, 2014
(b) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	320	296

Notes to Financial Statements (Contd.)

For the Year Ended December 31, 2015

(Amount in Rupees Lakhs)

	For the year ended December 31, 2015		For the year ended December 31, 2014	
	Amount	% of total consumption	Amount	% of total consumption
27. Details of imported and indigenous raw materials, stores and spares consumed during the year				
Raw materials				
Imported	15,557	60	16,312	64
Indigenous	10,538	40	9,068	36
	<u>26,095</u>	<u>100</u>	<u>25,380</u>	<u>100</u>
Stores and spares				
Imported	174	16	158	17
Indigenous	911	84	775	83
	<u>1,085</u>	<u>100</u>	<u>933</u>	<u>100</u>
28. Value of imports on CIF basis				
Raw Materials	16,814		18,021	
Stores and Spares	159		195	
Stock-in-trade (for trading)	1,842		1,738	
Capital Goods	407		373	
Toolings	277		373	
	<u>19,499</u>		<u>20,700</u>	
29. Expenditure in foreign currency				
Travelling expenses	129		138	
Royalty, Trademark licence fees	1,064		935	
Freight	519		639	
Management fees	323		361	
Reimbursement of expenses	59		80	
	<u>2,094</u>		<u>2,153</u>	
30. Earnings in foreign currency				
F.O.B. value of Exports	2,586		3,589	
F.O.B. value of Deemed Exports	6,298		5,572	
Reimbursement of expenses	114		185	
	<u>8,998</u>		<u>9,346</u>	
31. Dividend remitted in foreign currency				
Years to which dividend relates*				
Amount remitted during the year (Rs in lakhs)*	677		648	
Number of non-resident shareholders	1		1	
Number of shares on which dividend was due	11,277,650		11,277,650	

* Previous year includes interim dividend paid for the year 2014

(Amount in Rupees Lakhs)

	As at December 31, 2015	As at December 31, 2014
32. Dues to Micro, Small and Medium Enterprises		
(a) The amounts remaining unpaid to Micro, Small suppliers as at the end of each accounting year	134	47
– Principal	Nil	Nil
– Interest		
(b) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
(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.	Nil	Nil
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
(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.	Nil	Nil

33. Segment Reporting

- i) Segments have been identified in line with the Accounting Standard 17 - Segment Reporting, taking into account the nature of products and services, the different risks and returns, the organisational structure and the internal financial reporting system. The Company is engaged in the business of manufacturing, trading and sale of refractories. It has manufacturing location in India only. Based on the dominant source and nature of risk and returns of the Company, its internal organisation and management structure and its system of internal financial reporting, business segment has been identified as the primary segment. The Company has only one business segment.
- ii) **Secondary Segment** – In accordance with AS - 17, geographic segments have been considered as secondary reportable segment.

Notes to Financial Statements (Contd.)

For the Year Ended December 31, 2015

(Amount in Rupees Lakhs)

Sales by market: The following table shows the distribution of the Company's sales and service income by geographical market, regardless of where the goods were produced:

	For the year ended December 31, 2015	For the year ended December 31, 2014
Sales revenue by geographical market (Net of excise duty)		
India	60,895	55,896
Outside India		
– direct exports	2,653	3,699
– deemed exports	6,298	5,572
	<u>69,846</u>	<u>65,167</u>

Assets and additions to tangible and intangible fixed assets by geographical area : The following table shows the carrying amount of segment assets and capital expenditure during the year by geographical area in which the assets are located :

	Carrying amount of segment assets		Capital expenditure during the year	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
India	61,777	54,647	1,748	3,215
(includes fixed assets located in India)				
Outside India	2,627	3,166	–	–
	<u>64,404</u>	<u>57,813</u>	<u>1,748</u>	<u>3,215</u>

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.

34. Related Party Disclosures as per Accounting Standard 18

A) List of Related parties and relationship

i) Enterprises having control over the Company with which no transactions have taken place during the year:

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 Cookson Financial Limited, United Kingdom.

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

ii) Enterprises having control over the Company with which transaction has taken place during the year and previous year :

Vesuvius Group Limited, United Kingdom – Immediate holding company.

iii) Fellow Subsidiaries (with whom transactions have taken place during the year and previous year):

Name of the related parties

Avemis SAS, France

BMI Refractory Services Inc. Thailand

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

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 Canada Inc., Canada

Vesuvius Corporation S. A., Switzerland

Vesuvius Crucible Company, USA

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 Iberica Refractories S.A., Spain

Vesuvius Istanbul Sanayive Ticaret AS, Turkey

Vesuvius Italia S.P.A., Italy

Vesuvius Malaysia SDN. BHD, Malaysia

Vesuvius Mexico S.A. de C.V., Mexico

Vesuvius Mid-East Limited, Egypt

Vesuvius Poland Spolka Z.o.o, Poland

Vesuvius Ras Al Khaimah FZ-LLC, United Arab Emirates

Vesuvius Refratarios Ltda, Brazil

Vesuvius Slavia, A.S., Czech Republic

Vesuvius South Africa (Pty) Limited, South Africa

Vesuvius UK Limited, United Kingdom

Vesuvius USA Corporation, USA

Vesuvius Zyrock Ceramics (Suzhou) Co. Ltd., China

Wugang Vesuvius Advanced Ceramics (Wuhan) Co. Ltd., China

Yingkou Bayuquan Refractories Co. Ltd., China

iv) 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)

v) Key Management Personnel

Mr. Subrata Roy - Managing Director, with effect from January 1, 2015

Mr. Tanmay Kumar Ganguly – Managing Director till December 31, 2014

Notes to Financial Statements (Contd.)

For the Year Ended December 31, 2015

(Amount in Rupees Lakhs)

B. Related party transactions for the year ended December 31, 2015

Name of the entity	Sale of goods/ Services	Purchase of goods/ Fixed assets	Dividend paid	Other (Income)/ expenses	Managing Director's Remuneration	Receivable/ (Payable) at the year end
Holding Companies						
Vesuvius Group Limited, United Kingdom	–	–	677	–	–	–
Fellow subsidiaries						
Avemis SAS, France	–	17	–	–	–	–
Foseco (Thailand) Limited, Thailand	102	–	–	–	–	25
Foseco India Limited, India	–	–	–	26	–	(5)
Foseco Industrial E Commercial Ltda, Brazil	14	–	–	–	–	–
Foseco Pty Limited, Australia	1	–	–	–	–	1
PT. Foseco Indonesia, Indonesia	51	–	–	–	–	19
Sert-Metal SAS, France	–	73	–	–	–	(1)
Vesuvius (Thailand) Co. Ltd, Thailand	236	–	–	2	–	39
Vesuvius Advanced Ceramics (China) Co. Ltd., China	–	3	–	–	–	–
Vesuvius Belgium N.V. Belgium	15	232	–	–	–	(51)
Vesuvius Corporation S. A., Switzerland	240	–	–	1	–	5
Vesuvius Crucible Company, USA	–	63	–	777	–	(204)
Vesuvius Emirates FZE, United Arab Emirates	94	–	–	–	–	16
Vesuvius Foundry Products (Suzhou) Co. Ltd., China	15	69	–	–	–	(15)
Vesuvius France S.A., France	1	21	–	–	–	(2)
Vesuvius GmbH, Germany	579	2	–	–	–	85
Vesuvius Group S. A., Belgium	–	423	–	648	–	(237)
Vesuvius Iberica Refractories S.A., Spain	–	1	–	–	–	(0)
Vesuvius Istanbul Sanayive Ticaret AS, Turkey	136	–	–	–	–	30
Vesuvius Italia S.P.A., Italy	2	1	–	–	–	(1)
Vesuvius Malaysia SDN. BHD, Malaysia	346	75	–	(1)	–	18
Vesuvius Mexico S.A. de C.V., Mexico	–	807	–	–	–	(225)
Vesuvius Poland Spolka Z.o.o, Poland	–	302	–	–	–	(89)
Vesuvius Ras Al Khaimah FZ-LLC, United Arab Emirates	5	–	–	(1)	–	–
Vesuvius Slavia, A.S., Czech Republic	–	153	–	–	–	(52)
Vesuvius South Africa (Pty) Limited, South Africa	224	–	–	–	–	12
Vesuvius UK Limited, United Kingdom	18	317	–	(15)	–	(50)
Vesuvius USA Corporation, USA	432	599	–	(11)	–	(50)
Wugang Vesuvius Advanced Ceramics (Wuhan) Co. Ltd., China	–	3,379	–	–	–	–
Yingkou Bayuquan Refractories Co. Ltd., China	–	33	–	–	–	–
Key Management Personnel						
Subrata Roy	–	–	–	–	146	–

C. Related party transactions for the year ended December 31, 2014

Name of the entity	Sale of goods/ Services	Purchase of goods/ Fixed assets	Dividend paid	Other (Income)/ expenses	Managing Director's Remuneration	Receivable/ (Payable) at the year end
Holding Company						
Vesuvius Group Limited, United Kingdom	–	–	648	–	–	–
Fellow subsidiaries						
Avemis SAS, France	–	12	–	2	–	(2)
BMI Refractory Services Inc., USA	–	5	–	–	–	–
Foseco (Thailand) Limited, Thailand	95	–	–	–	–	(36)
Foseco India Limited, India	–	3	–	33	–	(5)
Foseco Industrial e Commercial Ltda, Brazil	39	–	–	–	–	–
Foseco Korea Limited, South Korea	5	–	–	–	–	–
Foseco Philippines Inc, Philippines	4	–	–	–	–	–
Foseco Pty Limited, Australia	0	–	–	–	–	–
PT. Foseco Indonesia, Indonesia	61	–	–	–	–	15
Sert-Metal SAS, France	–	226	–	4	–	(24)
Vesuvius (Thailand) Co. Ltd, Thailand	332	–	–	–	–	52
Vesuvius Advanced Ceramics (China) Co. Ltd., China	14	31	–	–	–	13
Vesuvius Belgium N.V. Belgium	–	265	–	–	–	(40)
Vesuvius Canada Inc, Canada	–	15	–	–	–	–
Vesuvius Corporation S. A., Switzerland	313	–	–	–	–	2
Vesuvius Crucible Company, USA	–	70	–	660	–	(19)
Vesuvius Emirates FZE, United Arab Emirates	66	–	–	–	–	16
Vesuvius Foundry Products (Suzhou) Co. Ltd., China	15	95	–	–	–	(51)
Vesuvius France S.A., France	–	58	–	–	–	(28)
Vesuvius GmbH, Germany	894	51	–	–	–	197
Vesuvius Group S. A., Belgium	–	448	–	668	–	(337)
Vesuvius Iberica Refractories S.A., Spain	–	0	–	–	–	(0)
Vesuvius Istanbul Sanayive Ticaret AS, Turkey	113	–	–	3	–	27
Vesuvius Italia S.P.A., Italy	–	91	–	–	–	(4)
Vesuvius Malaysia SDN. BHD, Malaysia	448	74	–	–	–	120
Vesuvius Mexico S.A. de C.V., Mexico	–	422	–	–	–	(198)
Vesuvius Mid-East Limited, Egypt	3	–	–	–	–	–
Vesuvius Poland Spolka Z.o.o, Poland	–	369	–	–	–	(66)
Vesuvius Ras Al Khaimah FZ-LLC, United Arab Emirates	–	–	–	–	–	–
Vesuvius Refractories Lda, Brazil	–	–	–	(4)	–	4
Vesuvius Slavia, A.S., Czech Republic	–	197	–	–	–	(17)
Vesuvius South Africa (Pty) Limited, South Africa	594	–	–	(9)	–	130
Vesuvius UK Limited, United Kingdom	15	536	–	(7)	–	(114)
Vesuvius USA Corporation, USA	349	660	–	7	–	(200)
Vesuvius Zyarock Ceramics (Suzhou) Co. Ltd, China	–	–	–	(22)	–	–
Wugang Vesuvius Advanced Ceramics (Wuhan) Co. Ltd., China	–	2,368	–	–	–	(930)
Yingkou Bayuquan Refractories Co. Ltd., China	–	336	–	–	–	(138)
Key Management Personnel						
Tanmay Kumar Ganguly	–	–	–	–	229	(133)

(Amount in Rupees Lakhs)

35. Employee Benefits : Post employment benefit plans

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, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident and Pension Fund for the year aggregated to **Rs. 335** (Previous Year Rs. 312).

Defined benefit plans

The Company operates two long term post-employment defined benefit plans that provide gratuity and compensated absences. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service at the time of retirement/exit. Other long term benefits entitles the retired/exit employees to encash the accumulated leave standing to their credit on the date of their retirement. Gratuity scheme is funded by the plan assets.

i) Net Assets/(Liabilities) recognised in Balance Sheet

The following table summarises the position of assets and obligations relating to the two plans.

	Gratuity		Compensated absences	
	Funded		Unfunded	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Fair value of plan assets	710	665	–	–
Present value of obligations	1,381	1,124	115	603
Liability recognised in Balance Sheet	(671)	(459)	(115)	(603)

ii) Classification into current / non-current

The liability in respect of each of the two plans comprises of the following non-current and current portions :

	Non-Current		Current	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Gratuity	671	459	–	–
Compensated absences	109	582	6	21
	780	1,041	6	21

	Gratuity		Compensated absences	
	Funded		Unfunded	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
iii) Composition of Plan Assets :				
Insurer managed funds	710	665	–	–
iv) Major category of Plan Assets as a % of the Total Plan Assets as at year end				
Invested with Life Insurance Corporation of India	18%	20%	–	–
Invested with SBI Life Insurance Company Limited	82%	80%	–	–
v) Movement in present values of defined benefit obligations:				
Defined benefit obligation at beginning of the year	1,124	892	603	499
Current service cost	98	83	18	37
Interest cost	88	75	7	41
Settlement Cost	–	–	(61)	–
Actuarial (gain) / loss	150	104	5	50
Benefits paid	(79)	(30)	(457)	(24)
Curtailments	–	–	–	–
Defined benefit obligation at end of the year (A)	1,381	1,124	115	603

Notes to Financial Statements (Contd.)

For the Year Ended December 31, 2015

(Amount in Rupees Lakhs)

	Gratuity		Compensated absences	
	Funded		Unfunded	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
vi) Movement in fair value of Plan Assets :				
Fair value of Plan Assets, beginning of the year	665	571	—	—
Expected return on Plan Asset	56	45	—	—
Actual Company contribution	71	56	457	24
Benefits paid	(79)	(30)	(457)	(24)
Actuarial gain / (loss)	(3)	23	—	—
Fair value of Plan Assets at the end of the year (B)	710	665	—	—
Surplus / (Deficit) (A) - (B)	(671)	(459)	(115)	(603)
vii) Expenses recognised in Statement of Profit and Loss				
Current service costs	98	83	18	37
Interest costs	88	75	7	41
Settlement Cost	—	—	(61)	—
Expected return on Plan Assets	(56)	(45)	—	—
Actuarial (gain) / loss recognised in the year	153	81	5	50
Expense recognised in the Statement of Profit and Loss	283	194	(31)	128
viii) Actual return on Plan Assets :				
Expected return on Plan Assets	56	45	—	—
Actuarial gain / (loss) on Plan Assets	(3)	23	—	—
	53	68	—	—
ix) Principal actuarial assumptions :				
The following are the principal actuarial assumptions at the reporting dates :				
Discount rate as at 31 December	7.90%	8.10%	7.90%	8.10%
Expected rate of return on Plan Assets	8.50%	8.50%	—	—
Future salary increases	8.00%	8.00%	8.00%	8.00%

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Discount rate is based on the prevailing market yield of Indian Government securities as at the year end for the estimated term of the obligation.

Assumption regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

x) Basis used to determine the Expected Rate of return on Plan Assets :

The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

xi) Five year information :

Amount for current and previous four years are as follows :

	December 31 2015	December 31 2014	December 31 2013	December 31 2012	December 31 2011
Gratuity					
Defined benefit obligation as at year end	1,381	1,124	892	721	575
Fair value of Plan Assets	710	665	571	457	291
Surplus / (deficit) in the plan	(671)	(459)	(321)	(264)	(284)
Experience adjustments arising on Obligation [(gain)/loss]	121	56	12	41	59
Experience adjustments arising on Plan Assets [(gain)/loss]	3	(23)	(25)	—	—
Actuarial (gain)/loss due to change on assumptions	29	48	39	8	52
Other long term benefits					
Defined benefit obligation as at year end	115	603	499	434	351
Fair value of Plan Assets	—	—	—	—	—
Surplus / (deficit) in the plan	(115)	(603)	(499)	(434)	(351)
Experience adjustments arising on Obligation [(gain)/loss]	3	25	10	25	10
Experience adjustments arising on Plan Assets [(gain)/loss]	NA	NA	NA	NA	NA
Actuarial (gain)/loss due to change on assumptions	3	25	20	5	34

* NA = Not applicable.

(Amount in Rupees Lakhs)

36. Unhedged foreign currency exposures

Foreign currency exposures on account of trade receivables / trade payables not hedged by derivative instruments are as follows :

	As at December 31, 2015		As at December 31, 2014	
	(In original currency)	(in Rupees)	(In original currency)	(in Rupees)
Trade Receivables				
USD	36	2,365	42	2,659
EURO	4	262	7	507
Trade payables				
USD	51	3,400	51	3,184
EURO	7	511	7	569
GBP	1	56	1	126

37. Provision for taxation has been recognised with reference to profit for the year ended December 31, 2015 in accordance with the provision of the Income Tax Act, 1961 and rules framed there under. The ultimate tax liability for the Assessment Year 2016-2017 will be determined on the basis of total taxable income for the year ended on March 31, 2016.
38. The management is of the opinion that its international transactions are at arm's length under the provisions of Section 92-92F of the Income Tax Act, 1961.
39. in the previous year ended December 31, 2014, a severe cyclonic storm 'Hudhud' hit India's eastern coast resulting in damages to certain assets in the Company's factories situated in Visakhapatnam. As per the best estimate of the management, insurance claim receivable aggregating to Rs. 153 had been recognised as receivable from the insurance company and adjusted against carrying cost of such assets and an amount of Rs. 23 had been provided against such damages in the previous year.
- In the current year, the Company has received certain on account payments from the insurance company against the above claim and Rs. 99 is still receivable as at the year end. The management believes that the balance amount is receivable from the insurance company. Adjustments, if any, arising out of final settlement of the claim, will be made upon such settlement.
40. According to Schedule II of the Companies Act, 2013, the management based on an internal evaluation have reassessed the remaining estimated useful life of fixed assets, with effect from January 1, 2015. Accordingly, the useful life of certain assets required a change from the previous estimates. As a consequence of this change, the depreciation charge during the year ended December 31, 2015 is higher by Rs. 183. Further, based on transitional provision as provided in note 7 (b) of Schedule II of the Companies Act, 2013, depreciation amount of Rs 68 (net of deferred tax Rs 35) has been adusted with opening Surplus (Balance in Statement of Profit and Loss) appearing in note "Reserve and Surplus". Accordingly, current year deferred tax credit, in the Statement of Profit and Loss, of Rs 294 is after above adustment of Rs 35.
41. **Corporate social responsibility expenses ("CSR") :**

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The funds are utilised on the activities which are specified in Schedule VII of the Act. The utilisation is done by way of contribution towards various activities.

(a) Gross amount as per the limits of Section 135 of the Companies Act, 2013: Rs. 181

Notes to Financial Statements (Contd.)

For the Year Ended December 31, 2015

(Amount in Rupees Lakhs)

(b) Amount spent during the year on :

Sl. No.	Particulars	Amount (in cash)	Amount (yet to be paid in cash)	Total
1.	Construction/acquisition of any assets	—	—	—
2.	On purpose other than (1) above			
	- Education and skill development	8	—	8
	- Health Care	2	—	2
	TOTAL	10	—	10

(c) No contribution has been made to any related party as per Accounting Standard (AS) 18, Related Party Disclosures.

42. The Company has taken various premises under operating lease which are cancelable 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. 280** (previous year Rs. 195).
43. Previous year's figures have been regrouped and/or rearranged wherever considered necessary to confirm to current year's presentation.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Jayanta Mukhopadhyay

Partner

Membership No. 055757

Place : Kolkata

Date : February 26, 2016

For and on behalf of the Board of Directors of

Vesuvius India Limited

CIN: L26933WB1991PLC052968

Subrata Roy

MANAGING DIRECTOR

DIN : 07046994

Taposh Roy

COMPANY SECRETARY

Place : Kolkata

Date : February 26, 2016

Biswadip Gupta

CHAIRMAN

DIN : 00048258

Sanjoy Dutta

CHIEF FINANCIAL OFFICER

