Dear Sir,

**Outcome of Board meeting – Submission of financial results**

Pursuant to Regulations 30, 33, 47 and other provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI-LODR”), we enclose (a) a copy of the Audited Financial Results of the Company for the fourth quarter and financial year ended on December 31, 2019 prepared in accordance with Regulation 33 and 47 of SEBI-LODR which were approved at the meeting of the Board of Directors held today on February 21, 2020 and (b) a copy of the Auditors’ Report issued by M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants, the Statutory Auditors of the Company, who have expressed an unqualified/unmodified opinion.

These Audited Financial Results have been uploaded on the Company’s website under Regulation 46(2)(i). These Audited Financial Results will be published in the newspapers in compliance with Regulation 47.

A complete copy of the Audited Financial Annual Report together with enclosures will be uploaded on the Company’s website in compliance with Regulation 46(2)(i) and will be forwarded to your Stock Exchange later under Regulation 34(1).

**We hereby give the declaration required under Regulation 33** that the Statutory Auditors have submitted their Audit Report on the above Audited financial results and have expressed an unqualified/unmodified opinion in their Auditors Report.

Yours faithfully,

Vesuvius India Limited

Taposh Roy
Compliance Officer

Enclo: (a) Standalone Audited Financial Results (b) Auditors Report on Annual Accounts
### Statement of Unaudited Financial Results for the Year ended December 31, 2019

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quarter ended December 31, 2019</th>
<th>Quarter ended December 31, 2018</th>
<th>Quarter ended September 30, 2019</th>
<th>Financial year ended December 31, 2019</th>
<th>Financial year ended December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Unaudited)</td>
<td>(Unaudited)</td>
<td>(Unaudited)</td>
<td>(Unaudited)</td>
<td>(Audited)</td>
</tr>
<tr>
<td><strong>1. Income from Operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Gross Sales / Revenue from operations</td>
<td>22,701</td>
<td>22,005</td>
<td>21,589</td>
<td>88,376</td>
<td>91,865</td>
</tr>
<tr>
<td>(b) Other Operating revenues</td>
<td>108</td>
<td>359</td>
<td>172</td>
<td>328</td>
<td>642</td>
</tr>
<tr>
<td><strong>Total Income from Operations</strong></td>
<td>22,809</td>
<td>22,364</td>
<td>21,761</td>
<td>88,704</td>
<td>92,507</td>
</tr>
<tr>
<td><strong>2. Other Income</strong></td>
<td>633</td>
<td>672</td>
<td>1,013</td>
<td>2,923</td>
<td>2,277</td>
</tr>
<tr>
<td><strong>3. Total Income [1 + 2]</strong></td>
<td>23,442</td>
<td>23,036</td>
<td>22,774</td>
<td>91,627</td>
<td>94,784</td>
</tr>
<tr>
<td><strong>4. Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Cost of materials consumed</td>
<td>8,341</td>
<td>9,738</td>
<td>8,861</td>
<td>33,883</td>
<td>36,161</td>
</tr>
<tr>
<td>(b) Purchase of stock-in-trade</td>
<td>4,019</td>
<td>5,273</td>
<td>4,215</td>
<td>17,106</td>
<td>20,276</td>
</tr>
<tr>
<td>(c) Changes in inventory of finished goods, work-in-process and stock-in-trade</td>
<td>959</td>
<td>(1,856)</td>
<td>(426)</td>
<td>134</td>
<td>(2,906)</td>
</tr>
<tr>
<td>(d) Employee benefits expense</td>
<td>1,691</td>
<td>1,369</td>
<td>1,510</td>
<td>6,550</td>
<td>5,835</td>
</tr>
<tr>
<td>(e) Depreciation and amortisation expense</td>
<td>620</td>
<td>654</td>
<td>688</td>
<td>2,655</td>
<td>2,781</td>
</tr>
<tr>
<td>(f) Other expenses</td>
<td>4,753</td>
<td>4,690</td>
<td>4,993</td>
<td>18,958</td>
<td>18,400</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>20,383</td>
<td>19,868</td>
<td>19,841</td>
<td>79,286</td>
<td>80,547</td>
</tr>
<tr>
<td><strong>5. Profit before tax [3-4]</strong></td>
<td>3,059</td>
<td>3,168</td>
<td>2,933</td>
<td>12,341</td>
<td>14,237</td>
</tr>
<tr>
<td><strong>6. Tax expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Tax</td>
<td>838</td>
<td>1,185</td>
<td>505</td>
<td>3,748</td>
<td>5,250</td>
</tr>
<tr>
<td>Deferred Tax</td>
<td>(49)</td>
<td>(35)</td>
<td>263</td>
<td>38</td>
<td>(265)</td>
</tr>
<tr>
<td><strong>7. Net Profit for the period [5-6]</strong></td>
<td>2,270</td>
<td>2,018</td>
<td>2,165</td>
<td>8,555</td>
<td>9,252</td>
</tr>
<tr>
<td><strong>8. Other Comprehensive Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Items that will not be reclassified to profit or loss</td>
<td>(163)</td>
<td>216</td>
<td>(26)</td>
<td>(239)</td>
<td>135</td>
</tr>
<tr>
<td>(ii) Income tax relating to items that will not be reclassified to profit or loss</td>
<td>41</td>
<td>(75)</td>
<td>4</td>
<td>63</td>
<td>(47)</td>
</tr>
<tr>
<td><strong>9. Total Other Comprehensive Income [8(i) + 8(ii)]</strong></td>
<td>(122)</td>
<td>141</td>
<td>(22)</td>
<td>(176)</td>
<td>88</td>
</tr>
<tr>
<td><strong>10. Total Comprehensive Income [7 + 9]</strong></td>
<td>2,148</td>
<td>2,159</td>
<td>2,143</td>
<td>8,379</td>
<td>9,340</td>
</tr>
<tr>
<td><strong>11. Paid up equity share capital</strong></td>
<td>2,030</td>
<td>2,030</td>
<td>2,030</td>
<td>2,030</td>
<td>2,030</td>
</tr>
<tr>
<td><strong>12. Reserves excluding Revaluation reserve as per Balance sheet</strong></td>
<td></td>
<td></td>
<td></td>
<td>78,415</td>
<td>71,749</td>
</tr>
<tr>
<td><strong>13. Earnings per share (of ₹ 10/- each): [Not annualised]</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Basic (₹)</td>
<td>11.18</td>
<td>9.94</td>
<td>10.67</td>
<td>42.15</td>
<td>45.59</td>
</tr>
<tr>
<td>b) Diluted (₹)</td>
<td>11.18</td>
<td>9.94</td>
<td>10.67</td>
<td>42.15</td>
<td>45.59</td>
</tr>
</tbody>
</table>
### Standalone Statement of Assets and Liabilities

<table>
<thead>
<tr>
<th></th>
<th>As at December 31, 2019</th>
<th>As at December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(1) Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Property, Plant and Equipment</td>
<td>12,314</td>
<td>11,929</td>
</tr>
<tr>
<td>(b) Capital work-in-progress</td>
<td>2,773</td>
<td>2,604</td>
</tr>
<tr>
<td>(c) Intangible assets</td>
<td>78</td>
<td>149</td>
</tr>
<tr>
<td>(d) Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Trade receivables</td>
<td>447</td>
<td></td>
</tr>
<tr>
<td>(ii) Loans</td>
<td>96</td>
<td>93</td>
</tr>
<tr>
<td>(iii) Other financial assets</td>
<td>243</td>
<td>230</td>
</tr>
<tr>
<td>(e) Non current tax asset (net)</td>
<td>1,970</td>
<td>1,820</td>
</tr>
<tr>
<td>(f) Deferred tax assets (net)</td>
<td>1,177</td>
<td>1,153</td>
</tr>
<tr>
<td>(g) Other non-current assets</td>
<td>904</td>
<td>534</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>20,002</td>
<td>18,512</td>
</tr>
<tr>
<td><strong>(2) Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Inventories</td>
<td>10,753</td>
<td>12,310</td>
</tr>
<tr>
<td>(b) Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Trade receivables</td>
<td>18,769</td>
<td>18,141</td>
</tr>
<tr>
<td>(ii) Cash and cash equivalents</td>
<td>46,793</td>
<td>41,383</td>
</tr>
<tr>
<td>(iii) Bank balances other than (ii) above</td>
<td>52</td>
<td>30,550</td>
</tr>
<tr>
<td>(iv) Loans</td>
<td>32</td>
<td>33</td>
</tr>
<tr>
<td>(v) Other financial assets</td>
<td>291</td>
<td>275</td>
</tr>
<tr>
<td>(c) Other current assets</td>
<td>1,422</td>
<td>1,337</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>78,112</td>
<td>74,029</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>98,114</td>
<td>92,541</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Equity share capital</td>
<td>2,030</td>
<td>2,030</td>
</tr>
<tr>
<td>(b) Other equity</td>
<td>78,415</td>
<td>71,749</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>80,445</td>
<td>73,779</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(1) Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Long-term provisions</td>
<td>1,786</td>
<td>1,247</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>1,786</td>
<td>1,247</td>
</tr>
<tr>
<td><strong>(2) Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Financial liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Trade payables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(A) Total outstanding dues of micro enterprises and small enterprises</td>
<td>267</td>
<td>242</td>
</tr>
<tr>
<td>(B) Total outstanding dues of creditors other than micro enterprises and small enterprises</td>
<td>12,175</td>
<td>14,098</td>
</tr>
<tr>
<td>(ii) Other financial liabilities</td>
<td>1,405</td>
<td>1,392</td>
</tr>
<tr>
<td>(b) Other current liabilities</td>
<td>796</td>
<td>552</td>
</tr>
<tr>
<td>(c) Short-term provisions</td>
<td>18</td>
<td>9</td>
</tr>
<tr>
<td>(d) Current tax liabilities (net)</td>
<td>1,222</td>
<td>1,222</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>15,883</td>
<td>17,515</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>17,669</td>
<td>18,762</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>98,114</td>
<td>92,541</td>
</tr>
</tbody>
</table>
Notes:
1. The Board of Directors has recommended payment of dividend of Rs. 74 per share of nominal value Rs 10/- each for the year ended December 31, 2019 at their meeting held on February 21, 2020. Annual General Meeting will be held on April 30, 2020. Dividend when declared will be paid within May 11, 2020.

2. The Company is engaged in the business of manufacturing, trading and sale of a range of refractories and is having its manufacturing facilities located in India. The performance of the Company is assessed and reviewed by the Chief Operating Decision Maker ('CODM') as a single operating segment and accordingly manufacture and sale of refractories is the only operating segment.

3. Effective January 1, 2019, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" with full retrospective approach. The adoption of Ind AS 115 did not have any significant impact on the results of the Company.

4. Provision for taxation has been recognised with reference to the profit for the year ended December 31, 2019 and in accordance with the provisions of Income Tax Act, 1961 and Rules framed there under. The ultimate tax liability for the assessment year 2020-2021, however, will be determined on the basis of total income for the year ending on March 31, 2020.

5. The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective financial year.

6. The Statutory Auditors of the Company have expressed an unqualified opinion on the Audited Financial Statements for the year ended December 31, 2019.

7. The Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the company has recognized the impact of remeasurement of the Deferred Tax Assets (net) and the current tax charge during the year. However the impact of such total tax expense for the year is not material.

8. These financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 21, 2020.

On behalf of the Board of Directors
Vesuvius India Limited

Place: Kolkata
Date: February 21, 2020
Price Waterhouse Chartered Accountants LLP

Independent auditor's report

To the Members of Vesuvius India Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Vesuvius India Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. 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 Companies Act, 2013 ("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 December 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of Recognition of Revenue under Ind AS 115

[Refer note 2.9 to the financial statements]

The Company recognises revenue from sale of goods and rendering of services when control has been transferred to the customer as detailed out in the significant accounting policy.

Recognition of revenue depends on the performance obligations related to sale of products and rendering of services, payment terms and total consideration (including variable consideration) determined, which vary across contracts with customers. Accordingly, the amount and timing of recognition of revenue is assessed by the Company based on the timing of the satisfaction of the performance obligations under a contract. There is a risk of inappropriate revenue recognition if revenue is not accounted for in accordance with contractual terms of the respective arrangements with the customers.
INDEPENDENT AUDITOR'S REPORT

To the Members of Vesuvius India Limited

Report on audit of the Financial Statements

The appropriateness of recognition of revenue is a key audit matter considering the significance of the amounts involved.

How our audit addressed the key audit matter

Our audit procedures in relation to revenue recognition included the following:

- Obtained an understanding of controls on revenue recognition and tested the operating effectiveness of the key controls,
- Read the agreements (including purchase orders) on a sample basis,
- Performed testing to ensure the revenue transactions have been recorded and the related performance obligations as per the selected contracts have been fulfilled,
- Testing of a sample of payments received and adjustments for variable consideration, and
- Assessed adequacy of presentation and disclosure.

Based on the above stated procedures, no exceptions were noted by us in revenue recognition including those relating to presentation and disclosures as required by the applicable accounting standard

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Directors and Management Discussion and Analysis Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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.
Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Vesuvius India Limited
Report on audit of the Financial Statements

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR’S REPORT

To the Members of Vesuvius India Limited
Report on audit of the Financial Statements

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations 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, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and 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 the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on December 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

(g) 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 35 to the financial statements;

ii. The Company has long-term contracts as at December 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at December 31, 2019.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended December 31, 2019.
INDEPENDENT AUDITOR’S REPORT

To the Members of Vesuvius India Limited
Report on audit of the Financial Statements

15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sougata Mukherjee
Partner
Membership Number: 057084

UDIN: 20057084AAAABC2908
Kolkata
February 21, 2020
Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 14 (f) of the Independent Auditors' Report of even date to the members of Vesuvius India Limited on the financial statements for the year ended December 31, 2019

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Vesuvius India Limited ("the Company") as of December 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
Annexure A to Independent Auditors' Report

Referred to in paragraph 14 (f) of the Independent Auditors' Report of even date to the members of Vesuvius India Limited on the financial statements for the year ended December 31, 2019

A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at December 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016
Chartered Accountants

Sougata Mukherjee
Partner
Membership No. 057084

Place: Kolkata
Date: February 21, 2020
Annexure B to Independent Auditors' Report
Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Vesuvius India Limited on the financial statements as of and for the year ended December 31, 2019

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on Property, Plant and equipment to the financial statements, are held in the name of the Company, except for leasehold land at Kolkata as stated in aforesaid Note 3, for which renewal of lease is under progress.

ii. The physical verification of inventory except for goods in transit have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. We also refer note 35 to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, value added tax and goods and service tax as at December 31, 2019 which have not been deposited on account of a dispute, are as follows:
### Price Waterhouse Chartered Accountants LLP

**Annexure B to Independent Auditors’ Report**
Referred to in paragraph 13 of the Independent Auditors’ Report of even date to the members of Vesuvius India Limited on the financial statements for the year ended December 31, 2019

<table>
<thead>
<tr>
<th>Name of the statute</th>
<th>Nature of dues</th>
<th>Amount (in Rs. Lakhs)</th>
<th>Period to which the amount relates</th>
<th>Forum where the dispute is pending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Excise Act, 1944</td>
<td>Disallowances of Cenvat credit (Net of Deposits of Rs. 10 lakhs)</td>
<td>261</td>
<td>2006 to 2017</td>
<td>Central Excise and Service Tax, Appellate Tribunal, Additional Commissioner, Assistant Commissioner, Commissioner (Appeals)</td>
</tr>
<tr>
<td>Finance Act, 1994</td>
<td>Non / short payment of service tax</td>
<td>12</td>
<td>2006 to 2008</td>
<td>Central Excise and Service Tax, Appellate Tribunal</td>
</tr>
<tr>
<td>Central Sales Tax Act, 1956</td>
<td>Non-submission of forms (net of deposits of Rs. 143 lakhs)</td>
<td>452</td>
<td>2005-06, 2011 to 2014, 2015 to 2018</td>
<td>Sales Tax Appellate Tribunal, Commissioner (Appeals), Additional Commissioner (Appeals), Senior Joint Commissioner</td>
</tr>
<tr>
<td>Central Sales Tax Act, 1956</td>
<td>Disallowance of stock transfer</td>
<td>2,723</td>
<td>2008 to 2012</td>
<td>Sales Tax Appellate Tribunal</td>
</tr>
<tr>
<td>West Bengal Value Added Tax Act, 2003</td>
<td>Non-submission of forms (net of deposits of Rs. 18 lakhs)</td>
<td>167</td>
<td>2011-12, 2013-14, 2015-16 and 2017-18</td>
<td>Commissioner (Appeals), Senior Joint Commissioner</td>
</tr>
<tr>
<td>Andhra Pradesh Value Added Tax Act, 2005</td>
<td>Denial of input credits (net of deposits of Rs. 24 lakhs)</td>
<td>21</td>
<td>2011 to 2013</td>
<td>Sales Tax Appellate Tribunal</td>
</tr>
<tr>
<td>Andhra Pradesh Value Added Tax Act, 2005</td>
<td>Disallowance of stock transfer (net of deposits of Rs. 4.60 lakhs)</td>
<td>14</td>
<td>2010 to 2011</td>
<td>Commissioner (Appeals)</td>
</tr>
<tr>
<td>Karnataka Value Added Tax Act, 2003</td>
<td>Denial of Inputs credits (Net of deposits of Rs. 99 lakhs)</td>
<td>100</td>
<td>2005 to 2007</td>
<td>Hon'ble Supreme Court of India</td>
</tr>
</tbody>
</table>
Annexure B to Independent Auditors' Report
Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Vesuvius India Limited on the financial statements for the year ended December 31, 2019

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 15 of our main audit report.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

Place: Kolkata
Date: February 21, 2020

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016
Chartered Accountants

Sougata Mukherjee
Partner
Membership No. 057084