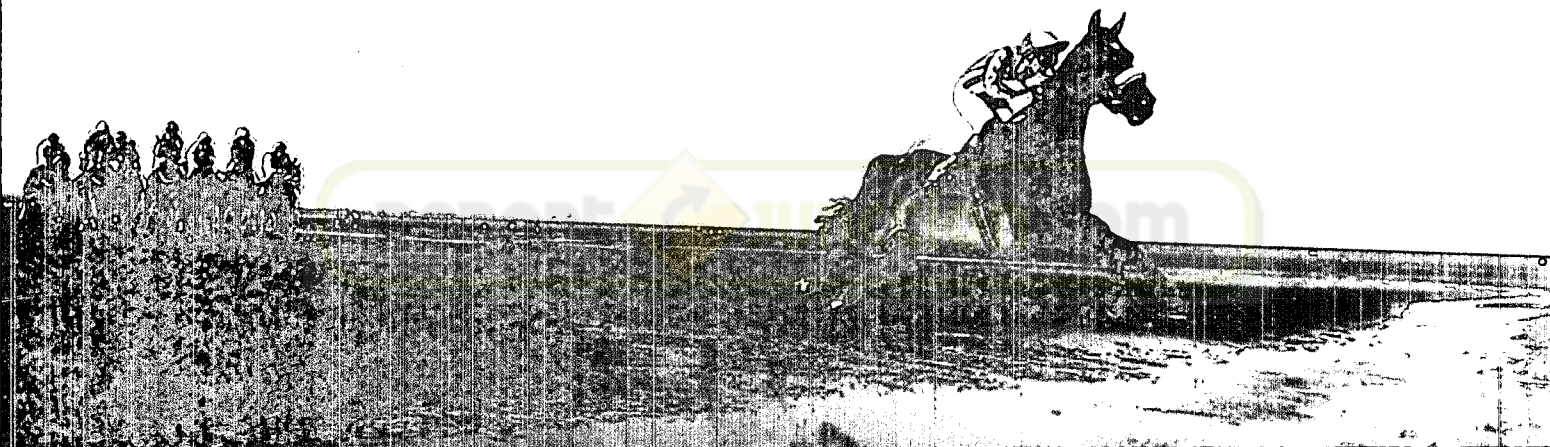


**Vesuvius India Ltd.**  
Annual Report 2007

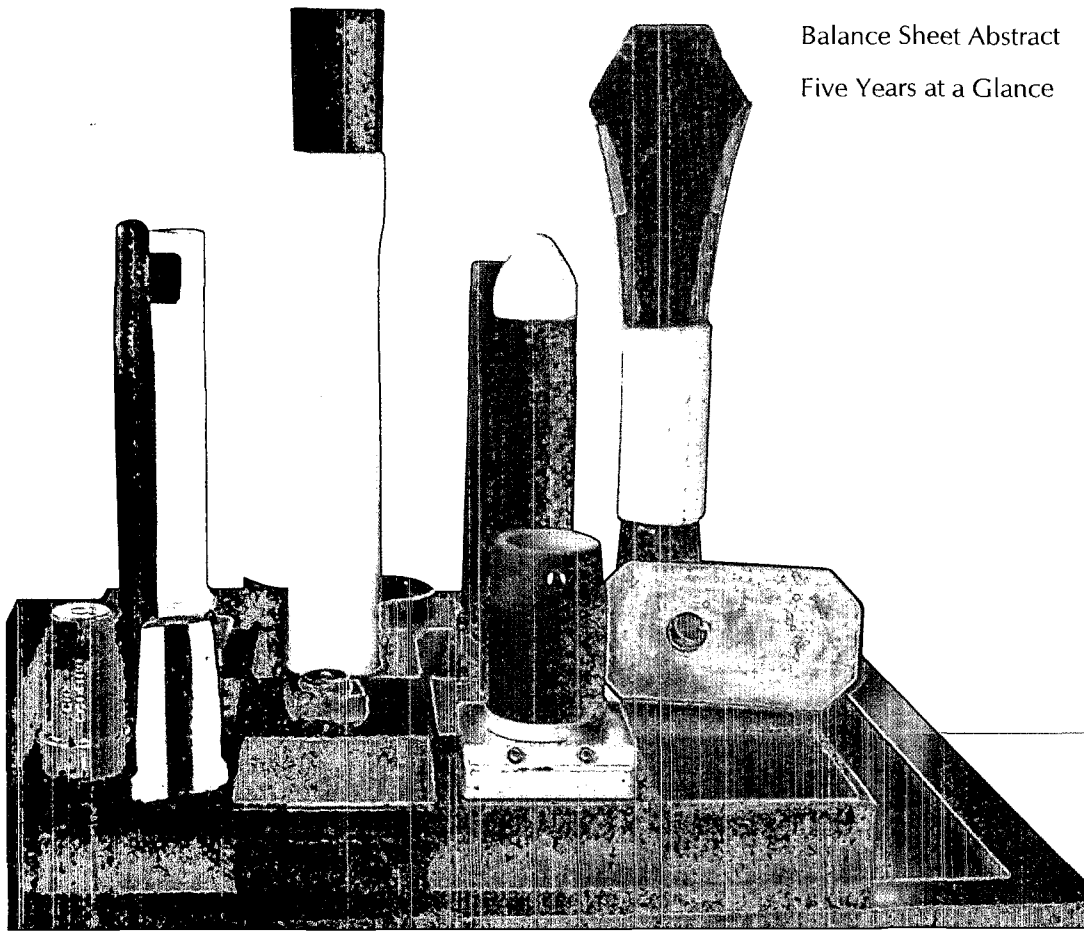
Vesuvius



...always ahead

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Vesuvius India Ltd.

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## Board of Directors



Dr. Saibal Kanti Gupta  
*Chairman*



Tanmay Kumar Ganguly  
*Managing Director*



François Clement Wanecq  
*(from 1.3.2007)*



Dr. Luigi Giulio Gramizzi



Dr. Claude Dumazeau



Shekhar Datta



Biswadip Gupta



Sudipto Sarkar

**BOARD OF DIRECTORS**

Dr. Saibal Kanti Gupta  
*Chairman*

Tanmay Kumar Ganguly (from 18.4.2007)  
*Managing Director*

Shekhar Datta

Dr. Claude Dumazeau

Nitendra Mohan Ghose (upto 10.9.2007)

Dr. Luigi Giulio Gramizzi

Biswadip Gupta

Jean-Pierre Malherbe (upto 1.3.2007)

Sudipto Sarkar

Francois Clement Wanecq (from 1.3.2007)

**BOARD COMMITTEES****Audit Committee**

Dr. Saibal Kanti Gupta  
*Chairman*

Shekhar Datta

Nitendra Mohan Ghose (upto 10.9.2007)

Dr. Luigi Giulio Gramizzi

Biswadip Gupta (from 18.4.2007 to 10.9.2007)

Sudipto Sarkar

**Share Transfer & Investor Grievance Committee**

Dr. Saibal Kanti Gupta

Shekhar Datta

Tanmay Kumar Ganguly (from 18.4.2007)

Nitendra Mohan Ghose (upto 10.9.2007)

Biswadip Gupta

Sudipto Sarkar

**COMPANY SECRETARY**

Taposh Roy

Email : Taposh.Roy@vesuvius.com

**EXECUTIVE COUNCIL**

Tanmay Kumar Ganguly  
*Managing Director*

Susanta Kumar Bandyopadhyay  
*Executive Director - HRD*

Tarun Kanti Basu  
*Executive Director - Sales*

Sudarshan Das  
*General Manager - Sales*

Sanjoy Dutta  
*Executive Director - Finance*

Subrata Roy  
*General Manager - Operations*

**AUDITORS****Lovelock & Lewes**

Plot No. Y-14, Block-EP, Sector -V  
Salt Lake Electronic Complex  
Bidhan Nagar  
Kolkata 700 091

**BANKERS**

Hongkong Bank

State Bank of India

United Bank of India

**REGISTRARS & SHARE TRANSFER AGENTS****CB Management Services (P) Ltd**

P-22 Bondel Road, Kolkata 700 019  
Tel : (033) 2280 6692-94/ 2486/ 2937  
Fax : (033) 2287 0263  
Email : cbmsl1@cal2.vsnl.net.in

**REGISTERED OFFICE**

P-104 Taratolla Road  
Kolkata 700 088  
Tel : (033) 30410600; 2401 2842/ 3898/ 0215  
Fax : (033) 2401 3976/ 1235  
Email : vesuviusindia@vesuvius.com

**Kolkata Factory :**

P-104 Taratolla Road, Kolkata 700 088  
Tel : (033) 30410600; 2401 2842/ 3898/ 0215  
Fax : (033) 2401 1235  
Email : Saibal.Bandyopadhyay@vesuvius.com

**Visakhapatnam Factories :**

(a) Existing factory :

Plot No. 13, 14 & 15, Block "E"  
IDA Autonagar, Visakhapatnam 530 012

(b) New factory :

Survey No. 90 & 98, Part, Block G,  
Industrial Park, Fakirtakya Village  
Autonagar, Visakhapatnam 530 046

Tel : (0891) 2749120; 2755419; 2755408

Fax : (0891) 2587511

Email : Tumma.Antony@vesuvius.com

**Mehsana Factory :**

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

Fax : (02762) 252909

Email : Sujit.Ghosh@vesuvius.com



**VESUVIUS**  
INDIA LTD.





Vesuvius India Ltd.

## Notice

**Notice** is hereby given that the seventeenth Annual General Meeting of the Company will be held at G D Birla Sabhaghar, 29, Ashutosh Chowdhury Avenue, Kolkata 700019 on Tuesday, April 29, 2008 at 4:00 p.m. to transact the following business :

1. To receive and adopt the Audited Accounts for the year ended on December 31, 2007, and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr Shekhar Datta, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Dr Claude Dumazeau, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors of the Company and to fix their remuneration and, in this connection to pass, with or without modification, the following resolution which will be passed as an Ordinary Resolution :

**"RESOLVED** that, pursuant to Section 224 of the Companies Act, 1956, Messrs Lovelock & Lewes, Chartered Accountants, be and are hereby reappointed Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration and on terms plus out-of-pocket expenses as may be determined by the Board of Directors of the Company."

### Registered Office :

P-104 Taratolla Road  
Kolkata 700 088

February 22, 2008

By Order of the Board of Directors

**Taposh Roy**

Company Secretary

### Notes:

1. 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 proxies need not be a member of the Company. Proxies, in order to be effective, must be received by the Company at the Registered Office not later than 48 hours before the Meeting.
2. The Register of Members of the Company will remain closed from April 22, 2008 to April 29, 2008, both days inclusive.
3. The dividend to be declared at this meeting, will, subject to the provisions of Section 206A of the Companies Act, 1956, be deposited with the Bank within May 5, 2008 and dividend warrants will be despatched on or after May 14, 2008 to those members whose names appear on the Register of Members on April 29, 2008 or to their mandatees. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the National Securities Depositories Ltd. and Central Depository Services (India) Ltd., for this purpose.
4. Payment of dividend will be rounded off pursuant to the provisions of Section 288B of the Income Tax Act, 1961 and Rule 23 of the Companies (Central Government's) General Rules & Forms, 1956. Dividend Tax will be paid by the Company pursuant to section 115O of the Income Tax Act, 1961.
5. 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. 033-22806692; Email : cbmsl1@cal2.vsnl.net.in) for recording any change of address, bank mandate, ECS or nominations and for redressal of complaints or contact the Company Secretary at the Registered Office or by email at Taposh.Roy@vesuvius.com.
6. Notices pursuant to Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 have been sent to all members concerned on January 29, 2008.
7. Dividend for the year ended December 31, 2000 which was declared at the Annual General Meeting held on June 29, 2001 and remaining unclaimed will be transferred to the Investor Education and Protection Fund of the Central Government on July 2, 2008 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.

8. Pursuant to Clause 49 of the Listing Agreements with the stock exchanges, it is informed that Mr Shekhar Datta and Dr Claude Dumazeau retire by rotation in accordance with the Articles of Association of the Company at the forthcoming Annual General Meeting, and being eligible, have offered themselves for reappointment. The particulars of the Directors are given below :

**Item No. 3 :** Mr Shekhar Datta is a Mechanical Engineer (London) and Fellow of All India Management Association. He is presently Chairman of Bombay Stock Exchange and a Director of Bharat Heavy Electricals Ltd and Wockhardt Ltd. He is the past President of Confederation of Indian Industry (CII), Bombay Chamber of Commerce & Industry and Indo-Italian Chamber of Commerce & Industry. He was the Managing Director & President of Greaves Limited (formerly Greaves Cotton & Co Limited), Mumbai. Mr Datta is well conversant with the engineering industry as well as the refractory and crucibles industry. He does not hold any shares in the Company. He is a member of the following Committees :

Name of Company	Name of Committee	Nature of Membership
Bombay Stock Exchange Ltd	Strategy & Business Development Committee	Chairman
	HR & Remuneration Committee	Member
Bharat Heavy Electricals Ltd	Audit Committee	Chairman
	HR Committee	Chairman
	Mergers & Acquisitions Committee	Member
Vesuvius India Ltd	Audit Committee	Member
	Share Transfer & Investor Grievance Committee	Member
Wockhardt Limited	Audit Committee	Member

**Item No. 4 :** Dr Claude Dumazeau who holds a Ph.D. in Material Science from France, is the Vice President-Research & Development of the parent company with over 28 years experience in Vesuvius Group in areas of marketing, sourcing and Research & Development. He is presently the head of R&D for Vesuvius worldwide. He is also a Director of Vesuvius Group SA, Vesuvius France SA, Vesuvius Belgium N.V. and Cookson France. Dr Dumazeau is a Director of the Company since December 1994. He does not hold any shares in the Company. He is not a Director of any other company in India nor is a member of any Committee in India.

**Members are requested to bring their copies of the Annual Report and Admission Slip to the Meeting.**

Vesuvius India Ltd.

## Chairman's Message



### *Dear Shareholders*

I am pleased to report another year of good performance by your Company and return to its "debt free" status.

India is on the move. The Indian economy continues to perform well and remains one of the fastest growing economies of the world. Gross Domestic Product (GDP) has witnessed an unprecedented growth rate of 8.8%, growth per capita income in 2007-08 is projected at 7.2%, Indian rupee has appreciated by about 9% against the US dollar, credit-deposit ratio has reached an all time high of 74 % and the Trade Openness Indicator i.e the Trade to GDP ratio has increased from 22.5% in 2000-01 to 34.8 % thereby reflecting greater integration with the world's economy.

Against this backdrop the steel industry, in which your Company mainly operates, has also prospered. The Indian Government has projected an investment of close to Rs 280,000 crores in the Indian steel sector by the end of 2011-12 financial year and in its National Steel Policy had envisaged a total production of 110 million tons by 2020, which has now been revised to 180 million tons. The country has emerged as the fifth largest producer of crude steel and is set to become the second largest global steel producer before 2015-16 by when steel production is targeted to increase to 137 million tons from present 51 million tons. This would also require equivalent improvement in infrastructure like ports, transport, roads and more importantly availability and prices of raw materials. There is presently a debate between the steel industries, the mining industries and some raw material rich States on retaining national wealth like iron ore, coal and other scarce minerals for captive use and regulating their exports.

Steel consumption in India has been growing at the rate of 8-12% in the last 5 years keeping

pace with the GDP growth rate. The per capital use of steel in India is around 50 Kg as against 280 Kg in China and 500 Kg in the developed nations, which shows the huge potential to drive steel consumption in the country.

Other industries like sponge iron, aluminium, cement, power plants and petrochemicals are also showing continuous growth in their respective markets due to the opening up of the Indian economy and Government spending on infrastructure.

Your Company supplies refractory products mainly to steel industry and also to sponge iron, aluminium, power and cement. The growth in these industries will trigger huge demand for refractories in the forthcoming years and so your Company is gearing up to face such demands. A new factory constructed near the existing factory at Visakhapatnam has commenced operations and their combined capacity for producing monolithics and precast products has more than doubled. Again, the expansion project for doubling of capacity at Kolkata factory has also commenced. The booming Indian refractory market is already attracting International operators.

Your Company benefits substantially from the linkage to the Vesuvius Group and has immediate access to the Group's intellectual and human capital. These linkages help your Company to confidently face competition, bring latest international processes, systems, efficiency and value additions which help significantly to upgrade organizational capability in the market place.

I thank you all for our continued support to your Company.

With my best wishes to all of you.



Dr S K Gupta



Vesuvius India Ltd.

## Message from President & CEO of Vesuvius Group



### *Dear Shareholders*

Vesuvius India has delivered a remarkable performance in 2007, which confirms the validity of its strategic choices and the quality of its management.

This success is due to the Company's ability to take advantage of the favourable economic environment in India and also to participate in the supply to Vesuvius Group's worldwide customers within the growing global steel industry.

This year Vesuvius India has faced a major evolution with the departure of its CEO Biswadip Gupta who had remarkably grown the business from the very beginning to its present levels. His successor Tanmay Ganguly has managed a smooth and efficient transition to achieve a very successful year of progression.

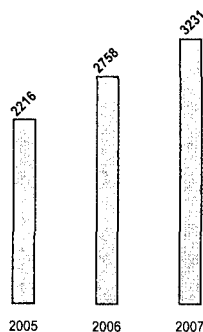
In 2007 Vesuvius India has completed a new phase of expansion with the opening of a new precast monolithics products factory in Visakhapatnam according to the recent technology development applied in the Vesuvius Group. This investment will support the future growth of the Company in the Linings market.

The Vesuvius Group is committed to serve the growing Indian market, the Vesuvius India stakeholders, its employees, the environment and its shareholders as demonstrated by these recent investments and by its enhanced efforts in training and Health & Safety initiatives as well as by its improved results.

With my best wishes to all of you.

Francois WANECCQ

**Total Income**  
Rs in million



## Report of the Directors and Management Discussion & Analysis Report

**FOR THE YEAR ENDED ON DECEMBER 31, 2007**

The Directors have pleasure in submitting their Annual Report together with the Audited Statements of Account for the year ended on December 31, 2007.

### The Year in Retrospect

#### Financial Results

	Year ended 31.12.2007	(Rs. Million) Year ended 31.12.2006
Sales & Services (excluding Excise Duty)	3,194	2,713
Other Income	37	45
<b>Total Income</b>	<b>3,231</b>	<b>2,758</b>
Profit before depreciation, interest & Tax (PBDIT)	604	501
Depreciation	83	66
Interest	19	13
Profit before tax	502	422
Exceptional Item	-	87
Provision for Income Tax	181	123
Profit after Tax	321	212
Balance as per last Balance Sheet brought forward	847	739
<b>Available for appropriation</b>	<b>1,168</b>	<b>951</b>
Appropriations made :		
Proposed Dividend	76	71
Dividend Tax	13	12
Transfer to General Reserves	32	21
	121	104
<b>Profit &amp; Loss Account Balance</b>	<b>1,047</b>	<b>847</b>
	<b>1,168</b>	<b>951</b>

#### Operating & Financial Performance, Internal control

The Company has regained its "debt-free" status. This is the first time that turnover (net of excise) has crossed Rs 3 billion (i.e Rs 300 crores). Net cash flow from operations has been the highest ever this year.

This year's annual results has shown a revenue growth of over 17% driven by a strong domestic growth at 20% and a more modest export growth at 11%. The strong domestic growth was achieved despite a modest about 8% growth in domestic steel output. Our

Mrs Tutul Gupta  
receiving prize for  
House magazine  
"Vesuvius"



Shri A Viswanathan,  
Central Provident  
Fund Commissioner  
at Kolkata Factory

