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1997-98

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VESUVIUS
INDIA LIMITED



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DIRECTORS

Jahar Sengupta
Chairman

Jean Pierre Malherbe

Claude Dumazeau

Alan Ridley

Pradip Kumar Khaitan

Nitendra Mohan Ghose

Jacob Francis Alapatt
Nominee of IDBI

Biswadip Gupta
Managing Director

COMPANY SECRETARY

Zahra Basrai

EXECUTIVE COMMITTEE

Biswadip Gupta

Tanmay Ganguly

Tarun Kanti Basu

Bappaditya Chakraborty

Susanta Kumar Bandyopadhyay

Jean Philippe Jiminez

Sanjoy Dutta

Zahra Basrai

AUDITORS

Lovelock & Lewes

SOLICITORS

Khaitan & Co.

BANKERS

Standard Chartered Bank

State Bank of India

United Bank of India

REGISTRARS AND SHARE TRANSFER AGENTS

CB Management Services Ltd.
P-22, Bondel Road
Calcutta 700 019
Tel: 240 0971/4528/4753
Fax: 247 0263

REGISTERED OFFICE

P-104, Taratolla Road
Calcutta 700 088
Tel: 478 0234/0237/0215, 468 2842
Fax: 478 0235





As World War I rages on, Vesuvius is born

THE ORIGINS

The year was 1916. World War I plunged the world in darkness. Three enterprising young Americans in Pittsburgh, Pennsylvania decided to create the finest crucible the world had ever seen. And thus was born Vesuvius Crucible Company. The gift of Francis L. Arensberg, Charles F. Covert Arensberg and Arthur J. Jackman, on the city's 100th anniversary.

Ironically, it was the war which gave birth to the Company. With an unprecedented boom in the metallurgical industry, the demand for steel had reached an all-time high and Vesuvius, located in the world's steelmaking capital, was ready.



Francis L. Arensberg



Charles F. Covert Arensberg



Arthur J. Jackman

VESUVIUS AND THE WORLD

New innovations and expansions were on the anvil of the Vesuvius Crucible Company. The production of the clay graphite crucibles in 1916 was followed by a succession of ingenious and practical inventions which made the world sit up and take notice.

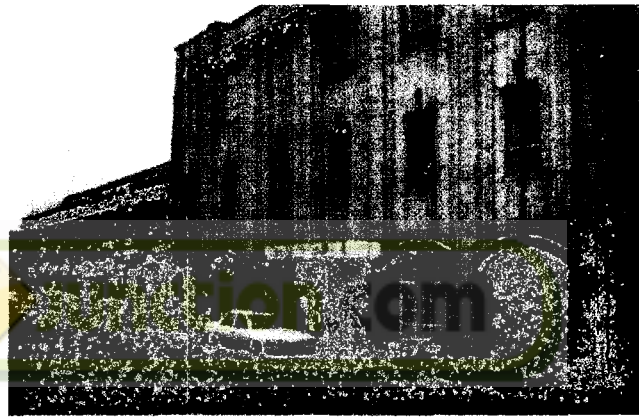
As time passed, Vesuvius' activities overflowed beyond Pittsburgh, into different parts of the world. Scotland, Germany, Belgium, Spain, Mexico, Brazil, Italy...the frontiers of the Company expanded rapidly. It was just a matter of time before Vesuvius took the Indian market by storm.



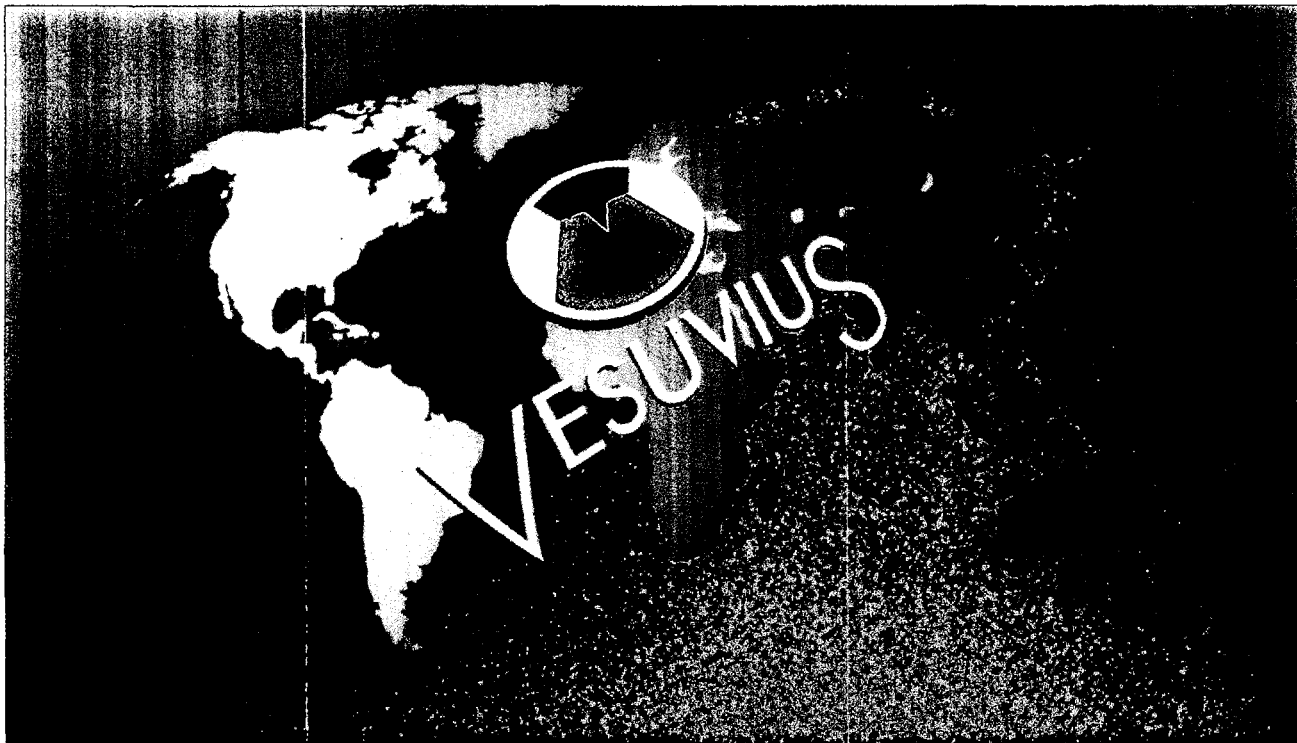
The Vesuvius plant at Oostende



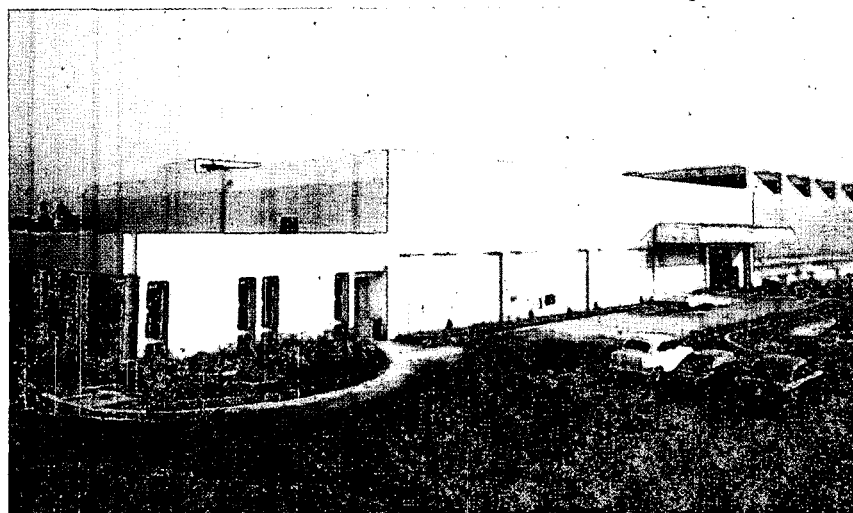
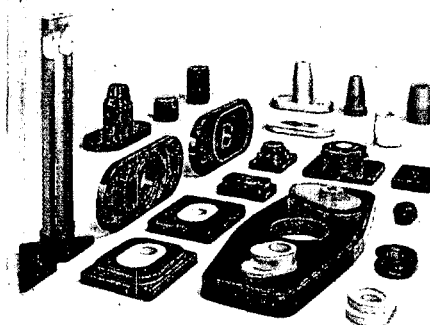
The Vesuvius plant at Tyler



Vesuvius' Newmilns plant



Vesuvius spreads out to different parts of the world

The Vesuvius India plant at Calcutta*Part of the Vesuvius range of advanced refractories for casting, pouring and treatment of molten metals*

VESUVIUS IN INDIA

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Since 1979, Vesuvius had set its sights on the Indian market. Biswadip Gupta, then with Vesuvius Switzerland, had been waiting for the right moment to launch Vesuvius in India. The opportunity came in 1991. At a time when the first winds of liberalisation were sweeping in welcome economic reforms and policy changes, Vesuvius Refractories Ltd. entered India on September 6, 1991. The name was later changed to Vesuvius India Ltd. on November 16, 1992.

The company involved in the manufacture of Continuous Casting Refractories (CCRs), Vesuvius India Ltd. is promoted by Vesuvius Group Ltd., UK, an internationally acknowledged specialist in CCRs, and the market leader in the field. The latter, a wholly owned subsidiary of Cookson Group plc., holds 55.57% of the equity capital in the Indian Company.

The technical know-how came from Vesuvius Crucible Company, USA and a Technology Agreement gives Vesuvius India access to some of the world's most advanced and sophisticated refractory technology, zealously kept within the

Vesuvius group of companies. Continuous updating of the technology has helped Vesuvius India's products and manufacturing facility in Calcutta match international quality standards, with an ISO 9002 certification to stand for it.

The Company employs skilled and highly trained technicians and supervisors, working with the latest know-how. It is little wonder that the Calcutta plant has the lowest rejection rate amongst Vesuvius companies worldwide, with manning levels comparable to other Vesuvius plants.

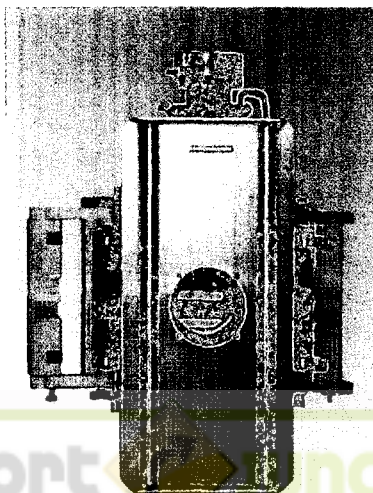
The main thrust of Vesuvius India's marketing strategy is to provide superior products and services of consistent international standards, with complete focus on customer service and quality. On-site trained Sales Engineers service customers by providing continuous assistance on product design and process innovation. Vesuvius India's ultimate aim is to develop and sustain mutually beneficial long-term relationships with its customers.

FUTURE PROSPECTS OF VESUVIUS INDIA LIMITED

Steel-making plants the world over are increasingly shifting to the continuous casting process owing to its several advantages vis-à-vis the conventional ingot casting process. In Japan, Europe and North America, respectively 95%, 75% and 70% of the steel sector have adopted the continuous casting process. Following these international trends, the current demand of CCRs in the thriving Indian steel industry is slated to rise dramatically in the years ahead.

With its expansion and modernisation plans materialising, and backed by superior foreign technology, Vesuvius India Limited expects to cater to larger volumes of markets from existing and new

customers. Modernisation has begun in several existing steel plants, with the setting up of state-of-the-art casters. All new greenfield steel plants are being equipped with these casters.



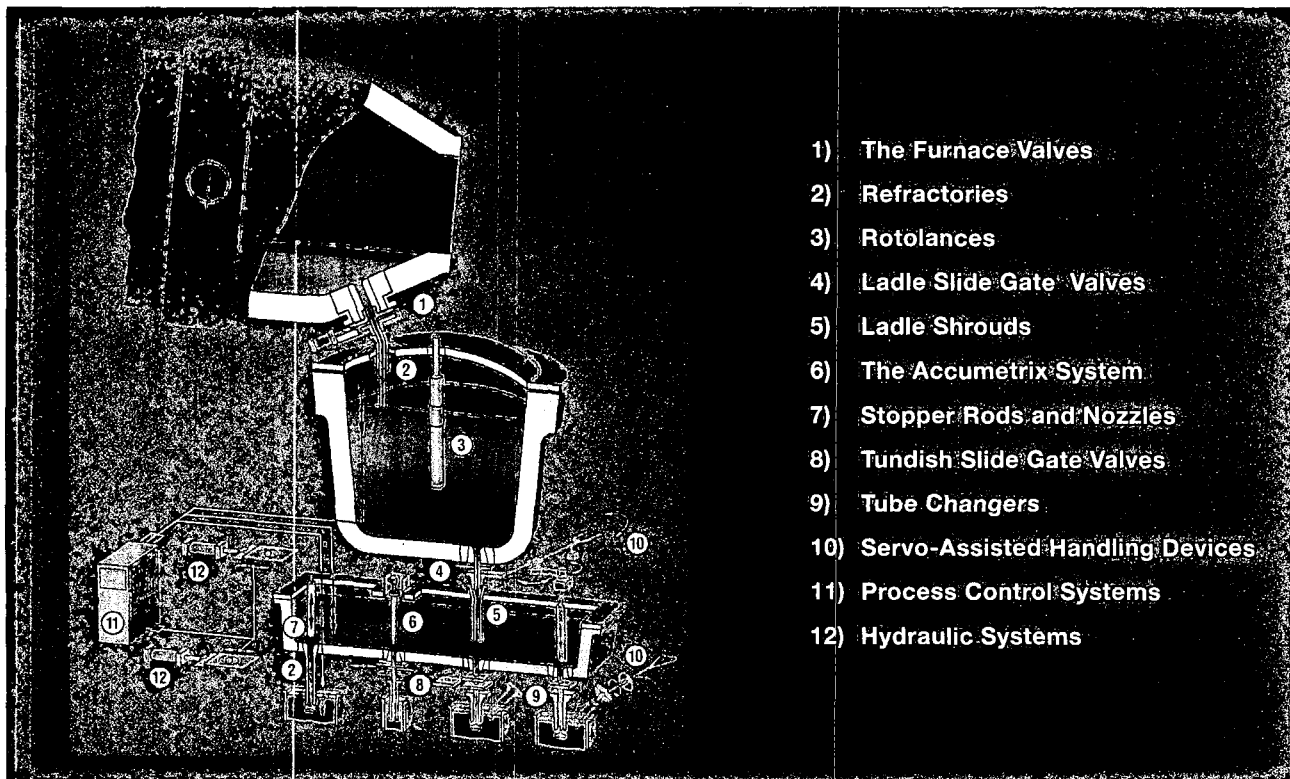
A Slide Gate machine

The growth of the Company's turnover by 15% in a very difficult economic environment bears testimony to the high standards of its products and future potential.

What fire doesn't burn, it hardens. Vesuvius India's tough, fire resistant refractories have helped the Company to build its reputation of dependability, and establish it as an important part of the steel industry across the country.



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- 1) The Furnace Valves
- 2) Refractories
- 3) Rotolances
- 4) Ladle Slide Gate Valves
- 5) Ladle Shrouds
- 6) The Accumetrix System
- 7) Stopper Rods and Nozzles
- 8) Tundish Slide Gate Valves
- 9) Tube Changers
- 10) Servo-Assisted Handling Devices
- 11) Process Control Systems
- 12) Hydraulic Systems

Some product lines

NOTICE

Notice is hereby given that the Seventh Annual General Meeting of the Company will be held at G. D. Birla Sabhaghar, 29, Ashutosh Chowdhury Avenue, Calcutta - 700 019 on Monday, August 10, 1998 at 10:30 a.m. to transact the following business :

- 1) To receive and adopt the Audited Accounts for the financial year ended on March 31, 1998, together with the Directors' and Auditors' Report thereon.
- 2) To declare a dividend for the financial year ended on March 31, 1998.
- 3) To appoint a Director in place of Mr. Jahar Sengupta, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. N. M. Ghose, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint Auditors of the Company and to fix their remuneration.

AS SPECIAL BUSINESS

- 6) To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution, of which due notice in writing under Section 257 of the Companies Act, 1956, has been received by the Company from a member :

"RESOLVED THAT Mr. Alan Ridley whose term of office expires at this Annual General Meeting under Article 103 of the Articles of Association of the Company, and who is eligible for re-appointment, be and is hereby appointed a Director of the Company, whose period of office will be liable to determination by retirement of Directors by rotation."

- 7) To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :

"RESOLVED THAT in accordance with the provisions of Section 309(4), read with Section 310 and other applicable provisions, if any, of the Companies Act, 1956, subject to the approval of the shareholders at the Annual General Meeting of the Company, and subject to the approval of the Central Government and other appropriate authorities required to be obtained in this behalf, consent be and is hereby accorded to the Board of Directors of the Company, to determine and distribute at its discretion, as commission amongst the Directors of the Company or to some or any of them (other than the Managing Director) a sum, which shall not exceed in the aggregate one per cent (1%) per annum of the net profits of the Company, computed in the manner prescribed under Section 309(5) of the Companies Act, 1956, in respect of the profits for each of the five financial years commencing from April 1, 1997, in such amounts or proportions as may be determined by the Board from time to time."

By Order of the Board of Directors

CALCUTTA
JUNE 11, 1998

ZAHRA BASRAI
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 himself. A proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not later than 48 hours before the Meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business under items 6 & 7, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from August 1, 1998 to August 10, 1998, both days inclusive.
4. The dividend, if approved, will, subject to the provisions of Section 206A of the Companies Act, 1956, be paid on or after August 25, 1998, to those members (or to their mandatees) whose names appear in the Register of Members on August 10, 1998.
5. Members are requested to notify any change in their address immediately to C B Management Services Limited (name changed from Choksey Bhargava & Associates Ltd. with effect from February 4, 1998), Registrars and Share Transfer Agents of the Company at P-22, Bondel Road, Calcutta - 700 019.