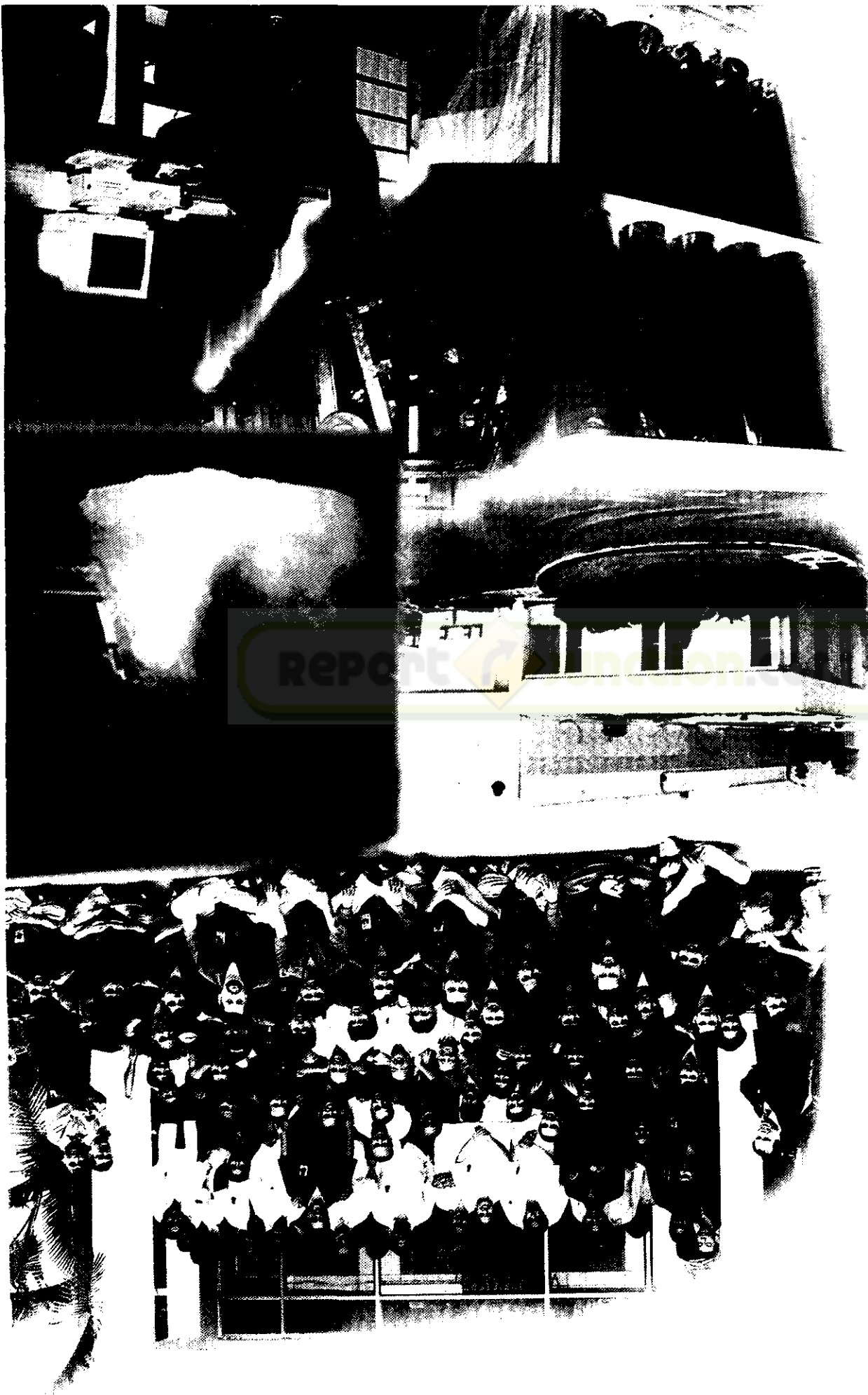


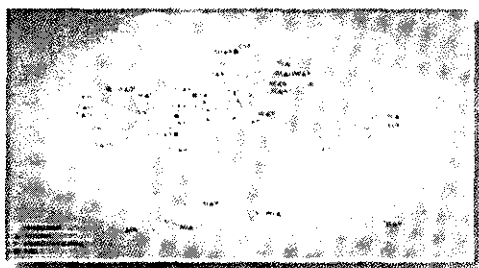


ANNUAL REPORT 2000

Cookson 


VESUVIUS
INDIA LIMITED





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Shareholder Information

Vesuvius Group Limited of UK, the holding company, is the world leader in the manufacture of ceramic systems which control, protect and monitor liquid steel in the continuous casting process. Through its recent acquisitions, it is also a leader in the manufacture of refractory lining materials for iron and steel-making and for other industrial processes. The Group also provides a variety of specialist ceramic products and refractory linings for use in the glass industry and in ferrous and non-ferrous foundries. Operating globally from over 70 factories and 100 sales offices in 35 countries, the Group's products are sold in every steel, glass or foundry market in the world.

Vesuvius Group Limited is a subsidiary of the Cookson Group plc, U.K. Cookson is an international materials technology group, providing materials, equipment and enabling technologies to its customers world wide. The Group comprises three divisions - Electronics, Ceramics and Precious Metals. In ceramics, Cookson's business is represented by the worldwide Vesuvius operations.

BOARD OF DIRECTORS



Prady Kumar Khaitan



Saibal Kanti Gupta



Nitendra Mohan Ghose

Board of Directors

Jahar Sengupta

Chairman

Jean-Pierre Malherbe

Alan Ridley

Claude Dumazeau

Nitendra Mohan Ghose

Saibal Kanti Gupta

Pradip Kumar Khaitan

Biswadip Gupta

Managing Director

Board Committees

Audit Committee

Jahar Sengupta

Nitendra Mohan Ghose

Saibal Kanti Gupta

Pradip Kumar Khaitan

Share Transfer &

Investor Grievance Committee

Jahar Sengupta

Nitendra Mohan Ghose

Saibal Kanti Gupta

Biswadip Gupta

Pradip Kumar Khaitan

Company Secretary

Taposh Dominic Roy

Executive Committee

Biswadip Gupta

Tarun Basu

Bappaditya Chakraborty

Susanta Kumar Bandopadhyay

Sanjoy Dutta

Auditors

Lovelock & Lewes

4 Lyons Range

Calcutta 700 001

Bankers

Hongkong Bank

United Bank of India

State Bank of India

Registrars & Share Transfer Agents

CB Management Services Ltd.

P-22 Bondel Road

Calcutta 700 019

Tel : (033) 280 6692-94 / 2486 / 2937

Fax : (033) 247 0263

E-mail : cbmsl1@cal2.vsnl.net.in

Registered Office

P-104 Taratolla Road

Calcutta 700 088

Tel : (033) 401 2842 / 3898 / 0215

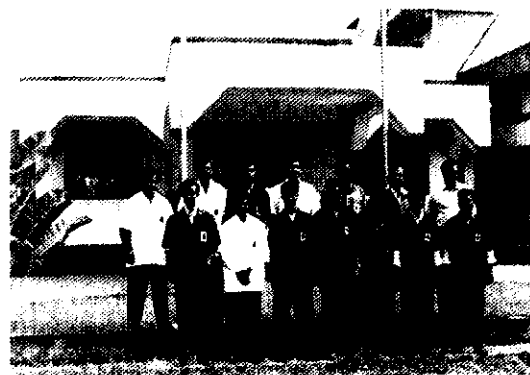
Fax : (033) 401 2909 / 1235



ABOUT US

Energising the most valuable asset

The company believes that employees are the most valuable assets. Training programmes are organised for employees in management, technology, technical and operational areas. Employees have been sent abroad for training and acquainting themselves with the new technology and equipment and to attend corporate trainings organized by the Group. Overseas experts have also been brought over for imparting training and sharing their experiences. Each employee is dedicated to supplying customers with technical, engineering and process systems support and, in many instances, through enthusiastic teams at customers' facilities. The persistent efforts of the employees at maintaining quality products have been acknowledged internationally and repeat export orders are being received for our products.



New Monolithic business

The company acquired the monolithic plant at Visakhapatnam from Carborundum Universal Limited effective July 1, 2000 and was assigned the Technical Know-how from Answer Technologies Inc., USA for manufacture of Blast Furnace Casthouse Refractories and General Purpose Pumpables. Monolithics is another refractory product mainly used in the iron and steel industry and has wide-ranging applications in the petrochemicals, cement, refinery, nonferrous metals and glass industries. The entry into the monolithics business will not only reduce the dependence of the company on steel but will also open up new business opportunities. We believe this area of business will be our main growth driver in the current year.

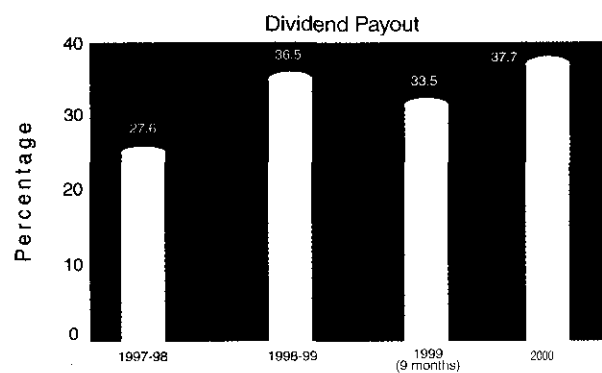
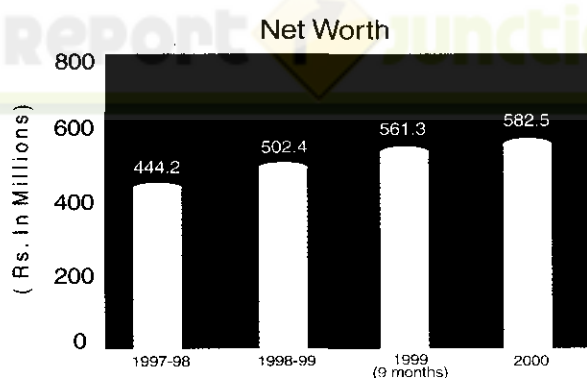
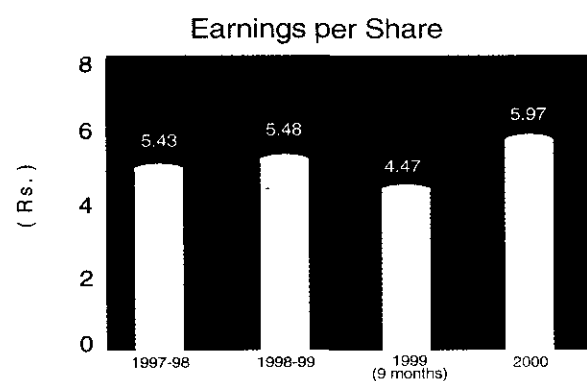
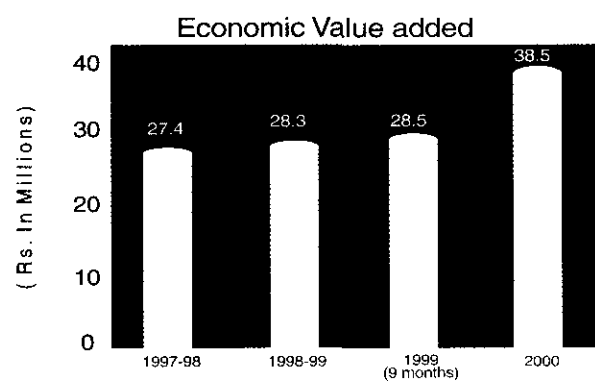


Concern for Quality

Vesuvius is obsessed with quality and conscious efforts are undertaken to maintain high quality products and improve upon them. From raw materials testing to after sales service, Vesuvius takes extra steps to build Quality into every facet of the business. The ISO 9002 plant at Calcutta has been spruced up further to provide superior products of consistent international standards. The quality products have received recognition and acclaim internationally as evidenced by repeat export orders.

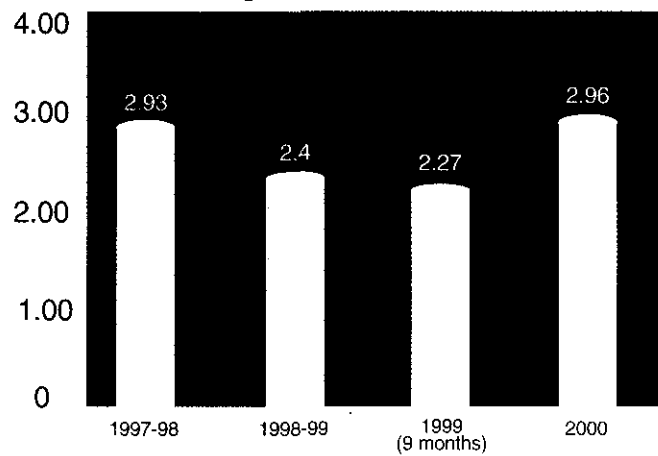


GRAPHS

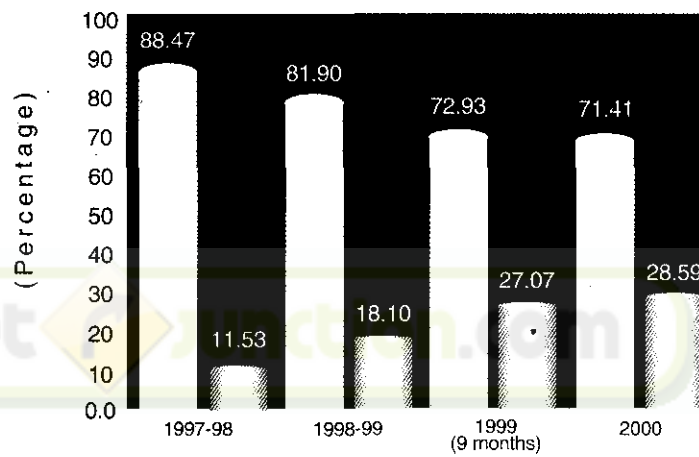


GRAPHS

Working Capital Turnover



Material Consumption

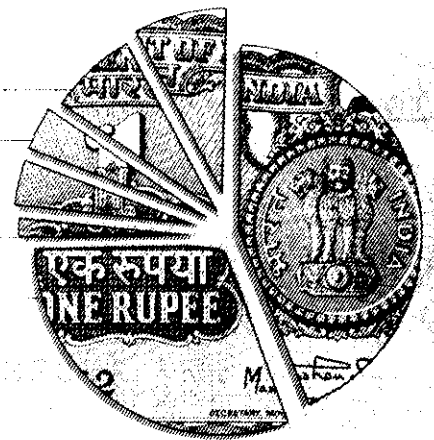


Imported

Indigenous

DISTRIBUTION OF INCOME

MATERIALS	- 43.53%
RETAINED IN BUSINESS	- 9.02%
DIVIDEND & TAX ON DIVIDEND	- 7.74%
INCOME TAX	- 4.18%
DEPRECIATION	- 4.03%
INTEREST	- 0.93%
EXPENSES	- 30.57%



NOTICE

Notice is hereby given that the Tenth Annual General Meeting of the Company will be held at G D Birla Sabhaghar, 29, Ashutosh Chowdhury Avenue, Calcutta 700 019 on Friday, June 29, 2001 at 10.30 a.m. to transact the following business :

1. To receive and adopt the audited Accounts for the year ended on December 31, 2000, and the Reports of the Directors' and Auditors' thereon.
2. To declare a dividend for the financial year ended on December 31, 2000.
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. P K Khaitan, who retires by rotation and being eligible, offers himself for re-appointment.
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."

By order of the Board of Directors

Taposh Roy
COMPANY SECRETARY

Registered Office :
P-104 Taratolla Road
Calcutta 700 088

April 24, 2001

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 not later than 48 hours before the meeting.
2. The Register of Members of the Company was closed from March 15, 2001 to March 27, 2001, both days inclusive.
3. The dividend, if any, to be declared at this meeting will be payable to those members whose names appear on the Register of Members on March 27, 2001 or to their mandatees.
4. Members are requested to contact M/s C B Management Services Limited, Registrars and Share Transfer Agents of the Company at P-22, Bondel Road, Calcutta 700 019 for recording any change of address, bank mandate or nominations and for redressal of complaints.

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED ON DECEMBER 31, 2000

The Directors have pleasure in submitting their Annual Report together with the Audited Statements of Account for the year ended on December 31, 2000.

The Year in Retrospect Financial Results

	Year Ended December 31, 2000	(Rs. in lakhs) Nine months ended December 31, 1999
Sales	6791	4880
Other Income	447	237
Total Income	7238	5117
Profit/(Loss) before depreciation	1807	1284
Depreciation	292	195
Profit/(Loss) after depreciation	1515	1089
Provision for Income Tax	303	182
Profit after tax	1212	907
Balance as per last Balance Sheet brought forward	1818	1298
Available for appropriation	3030	2205
Appropriations made		
Dividend recommended	457	304
Dividend tax	103	38
Transfer to General Reserves	121	45
	681	387
Profit & Loss Account Balance	2349	1818
	3030	2205

Business Environment

Other than a few speciality steel makers, like stainless steel, the general industry is going through a difficult period. The new steel plants set up with big investments mainly to cater to the Hot Rolled Coil sector, due to a severe set back in the US market coupled with cheap imports, this sector has witnessed sharp fall in prices and margins. Slow pace in the development of infrastructure related projects as well as recessionary trends seen in the engineering and auto sectors, did have a negative impact on steel industry in general. Considering the prevalent business environment, the company's performance is considered good. This has been made possible by consolidating existing projects, adding values continually by leveraging newer technologies and products and through total customer focus.

The entry into the new monolithic business provides opportunity for the company to reduce its dependence on the steel industry and enter into other industries like petro-chemical, cement and fertiliser.

Operating Result

The year 2000 was difficult for all industries linked to core sectors like steel. Our strategies have been to extend focus on other product lines as well as to provide solution to business which gain good result. Growth at both turnover and operating profit level has been maintained. With the maturing of monolithic business from our newly acquired Vizag plant we hope to keep up the growth momentum.