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INDIA LIMITED

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Cover picture shows a ladle after tapping. Vesuvius India products that find application in this ladle are ladle slide gates, monolithic linings and purging plugs.

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Our profound condolences



Jahar Lal Sengupta
1925 - 2002

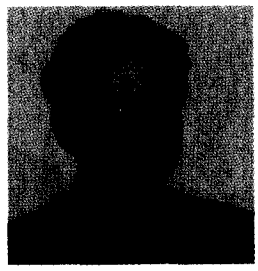
Founder Chairman
Vesuvius India Limited

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Board of Directors



Dr. Saibal Kanti Gupta
Chairman



Biswadip Gupta
Managing Director



Jean-Pierre Malherbe



Claude Dumazeau



Alan John Ridley



Nitendra Mohan Ghose



Shekhar Datta

Executive Committee



Biswadip Gupta - *Managing Director*



Tarun Kanti Basu
General Manager - Sales



Bappaditya Chakraborty
General Manager - Manufacturing



Sanjoy Dutta
Controller



Susanta Kumar Bandyopadhyay
General Manager -HRD



N C Mukherjee
Consultant - Director

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VESUVIUS INDIA LIMITED

BOARD OF DIRECTORS

Dr. Saibal Kanti Gupta
Chairman

Jean-Pierre Malherbe

Claude Dumazeau

Alan John Ridley

Shekhar Datta

Nitendra Mohan Ghose

Biswadip Gupta
Managing Director

BOARD COMMITTEES

Audit Committee
Saibal Kanti Gupta
Shekhar Datta
Nitendra Mohan Ghose
Alan John Ridley

Share Transfer & Investor Grievance Committee
Saibal Kanti Gupta
Shekhar Datta
Nitendra Mohan Ghose
Biswadip Gupta

Finance Committee
Shekhar Datta
Nitendra Mohan Ghose
Biswadip Gupta

COMPANY SECRETARY

Taposh Dominic Roy

EXECUTIVE COMMITTEE

Biswadip Gupta
Managing Director

Tarun Kanti Basu
General Manager - Sales

Susanta Kumar Bandyopadhyay
General Manager - HRD

Bappaditya Chakraborty
General Manager - Manufacturing

Sanjoy Dutta
Controller

N C Mukherjee
Consultant - Director

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 Pvt Ltd
P-22 Bondel Road
Kolkata 700 019
Tel : (033) 2280 6692-94/ 2486/ 2937
Fax : (033) 2247 0263
Email : cbmsl1@cal2.vsnl.net.in

REGISTERED OFFICE

P-104 Taratolla Road
Kolkata 700 088
Tel : (033) 2401 2842/ 3898/ 0215
Fax : (033) 2401 2909/ 1235
Email : vesuviusindia@in.vesuvius.com

Kolkata Factory :
P-104 Taratolla Road
Kolkata 700 088
Tel : (033) 2401 2842 / 3898 / 0215
Fax : (033) 2401 2909 / 1235
Email : Bappaditya_Chakraborty@in.vesuvius.com

Visakhapatnam Factory :
Plot No. 13, 14 & 15, Block "E"
IDA Autonagar
Visakhapatnam 530 012
Tel : (0891) 274 9120; 275 5419; 275 5408
Fax : (0891) 258 7511
Email : Tumma_Antony@in.vesuvius.com

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Vesuvius Diary

Vesuvius Group

Vesuvius Group continues to be the leader in the world for flow control of liquid metal. In order to maintain its technological edge over competitors, it continues to invest in Research and Development and implement improved processes for the benefit of its customers. Vesuvius India benefits immensely from these R&D efforts through constant support from the Group.

Quality and Technology

Technology being of essence, only high-tech and high performance refractory products and services will be more in demand in future, and units capable of meeting the changing qualitative requirements of the consuming industry will be on the forefront. Vesuvius India, with the constant support from Vesuvius Group is in a position to provide such technologies.

Acquisitions

Our Company has been progressively making acquisitions which complement its existing business, synergising with its existing activities and performances. A range of refractory products for blast furnaces were acquired from KSR International India Limited in 1999 to seed the monolithics business. From July, 2000 a new monolithics plant at Visakhapatnam was purchased from Carborundum Universal Limited to set up a base for manufacturing monolithics, blast furnace casthouse refractories and general purpose pumpables. The Tundish Lining Products business of Foseco India Limited was acquired in March, 2002 for the manufacture and supply of tundish spraying mass.

A crucible manufacturing unit at Gujarat is now being acquired from March, 2003 to intensify our Company's foray into the foundry industries.

Vesuvius India now a Rs.100 Crores turnover company

Vesuvius India has achieved its much cherished dream of attaining a turnover of Rs.100 crores. Independent publications have given the following ratings to Vesuvius:

Economic Times Intelligence Group Report in September 2002		Business Standard Report in December 2002		
Particulars	Rank in 2002	Particulars	Rank in 2002	Rank in 2001
Operating margin	70th	Super rank	80th	Not mentioned
Market cap	342nd	Composite rank	180th	340th
		Net Sales	813th	996th
		Net Profit	375th	Not mentioned

Human Resources

Employees are partners in the Vesuvius family and their involvement is encouraged and emphasised. Inhouse training as well as training abroad are provided to employees. HR initiatives to train, empower and delegate are ongoing, processes in our Company and annual get-togethers improve the bonhomie spirit. The inhouse magazine edited by the Mrs. Tutul Gupta, wife of the Managing Director, reflects this spirit and the involvement of the employees and their families. Senior executives are also sent abroad to undergo the Group's course on Global Leadership Skills. Health, safety, environmental issues, employee welfare and housekeeping are on the priority list.

Vesuvius India now a Rs.100 Crores turnover company





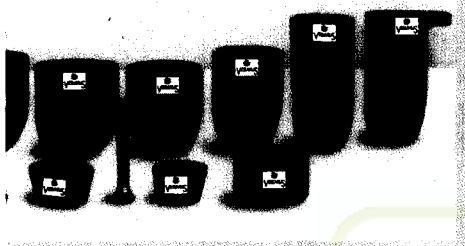
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Notice

VESUVIUS

Notice is hereby given that the Twelfth Annual General Meeting of the Company will be held at KALAMANDIR, 48 Shakespeare Sarani, Kolkata 700 017 on Thursday, April 3, 2003 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, 2002, and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr Alan John Ridley, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Nitendra Mohan 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 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."

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 Shekhar Datta be and is hereby appointed a Director of the Company."

By Order of the Board of Directors

Registered Office :
P-104 Taratolla Road
Kolkata 700 088

January 31, 2003

Taposh D. 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 **March 20, 2003 to April 3, 2003,** 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 paid on or after April 8, 2003 to those members whose names appear on the Register of Members on April 3, 2003 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 subject to income tax as per the requirements of the Income Tax Act, 1961 and the rules thereunder and will be rounded off pursuant to the provisions of Section 288-B of the Income Tax Act, 1961 and Rule 23 of the Companies (Central Government's) General Rules & Forms, 1956. Members are

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requested to submit within March 28, 2003 Form 15G in duplicate or certificate in Form 15AA for payment of dividend without deduction of tax at source.

5. Members are requested to contact M/s C B Management Services Pvt Ltd, Registrars and Share Transfer Agents of the Company at P-22, Bondel Road, Kolkata 700 019 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@in.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 in January 2003.
7. The explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of item no. 6 is annexed.

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

Annexure to the Notice convening the Twelfth Annual General Meeting to be held on Thursday, April 3, 2003

As the business specified in item no. 6 of the Notice dated January 31, 2003 to which this statement is annexed is an item of special business to be transacted at the Twelfth Annual General Meeting of the Company, the following Explanatory Statement is set out in compliance with the provisions of Section 173 of the Companies Act, 1956.

ITEM No. 6

The Board of Directors at their meeting held on January 31, 2003 appointed Mr Shekhar Datta as a Director under Article 103 of the Articles of Association of the Company with effect from January 31, 2003. Under the provisions of the said Article, an Additional Director holds office only until the next Annual General Meeting of the Company. Accordingly, Mr Datta vacates office at this meeting and it is proposed to re-appoint him.

Mr Datta is a Mechanical Engineer (London) and Fellow of All India Management Association. 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 of Greaves Limited (formerly Greaves Cotton & Co Limited), Mumbai. At present Mr Datta is a Director & Chairman of Piaggio Vehicles Private Limited, Piaggio India Private Limited, Lombardini (India) Private Limited and a Director of Industrial Development Bank of India (IDBI) and Wockhardt Limited.

Mr Datta is a Business Consultant for Piaggio & C.spa, Italy and Mark IV Automotive Industries Inc, Italy and is on the Advisory Board of International Business Advisory Council of UNIDO, Institute for Technology & Management, Mumbai and is the Chairman-Apex Committee of TIFA, Ministry of Science & Technology, Government of India.

Mr Datta is well conversant with the engineering industry as well as the refractory and crucibles industry. In view of his vast experience and finance and accounting knowledge it will be in the interest of the Company to appoint Mr Shekhar Datta as a Director of the Company. The Board therefore recommends that the resolution be passed.

None of the Directors of the Company, other than Mr Shekhar Datta, is concerned or interested in the resolution.

By Order of the Board of Directors

Registered Office :
P-104 Taratolla Road
Kolkata 700 088

January 31, 2003

Taposh D. Roy
Company Secretary

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Report of the Directors

FOR THE YEAR ENDED ON DECEMBER 31,2002

The Directors have pleasure in submitting their Annual Report together with the Audited Statements of Account for the year ended on December 31, 2002.

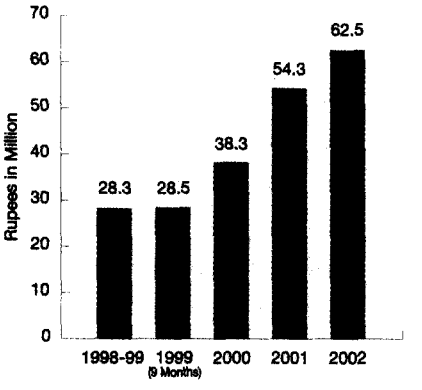
The Year in Retrospect

Financial Results

(Rs. Lakhs)

	Year ended 31.12.2002	Year ended 31.12.2001
Sales	10,663	9,040
Other Income	75	74
Total Income	10,738	9,114
Profit before depreciation	2,678	2,170
Depreciation	435	360
Profit after depreciation	2,243	1,810
Provision for Income Tax	582	437
Profit after tax	1,661	1,373
Balance as per last Balance Sheet brought forward	3,082	2,349
Available for appropriation	4,743	3,722
Appropriations made		
Dividend recommended	558	507
Dividend tax - net off earlier year write back Rs. 51.75 Lakhs (2001- Rs. 56.63 Lakhs)	(52)	(5)
Adjustment on provision of Deferred Tax	763	–
Transfer to General Reserves	166	138
	1,435	640
Profit & Loss Account Balance	3,308	3,082
	4,743	3,722

Economic Value Added



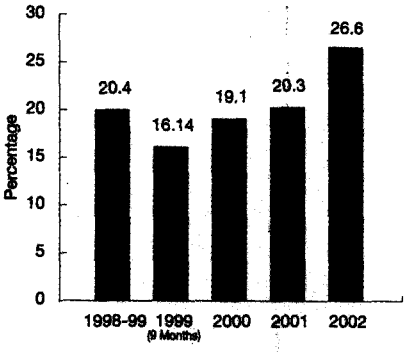
Business Environment

India is the eighth largest producer of steel in the world but the per capita consumption of steel is low primarily due to low usage of steel in construction, low penetration in the rural areas and inadequate infrastructural facilities. The Indian steel industry is dominated by integrated players, who have large steel manufacturing capacities in the public and private sectors. The oversupply in the domestic market, the intense competition from imports and high cost of borrowings have had its impact on this industry. Our Company produces refractories primarily for the steel industry using the continuous casting process.

There is at present a buoyancy in the fortunes of the Steel industry. Both demand and prices are resilient and steel plants have increased production in the later half of the year. Financial Institutions have also agreed to restructure high cost loans of some major steel plants which will enable them to improve their financials as well as complete their expansion projects resulting in increased business and ease in collections.

Aluminium companies have announced major capital expansion plans. This industry

Return on Capital Employed (ROCE)



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