



# SOME OF OUR PARTNERS IN SUCCESS



ISGEC John Thompson



LIMITED



SMS group





GTC 2085 Tundish Slide Gate with  
Tube Changer in operation at SAIL, Bhilai

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## Board of Directors



Dr. Saibal Kanti Gupta  
*Chairman*



Tanmay Kumar Ganguly  
*Managing Director*



François Clement Wanecq



Yves M.C.M.G. Nokerman  
*(from 29.7.2008)*



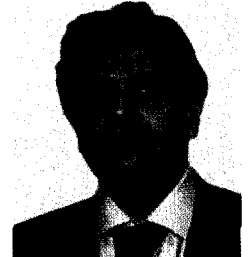
Dr. Claude Dumazeau



Shekhar Datta



Biswadip Gupta



Sudipto Sarkar



VESUVIUS



**BOARD OF DIRECTORS**

Dr. Saibal Kanti Gupta  
Chairman

Tanmay Kumar Ganguly  
Managing Director

Shekhar Datta

Dr. Claude Dumazeau

Dr. Luigi Giulio Gramizzi (upto 29.7.2008)

Biswadip Gupta

Yves M.C.M.G. Nokerman (from 29.7.2008)

Sudipto Sarkar

François Clement Wanecq

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

Dr. Saibal Kanti Gupta  
Chairman

Shekhar Datta

Dr. Luigi Giulio Gramizzi (upto 29.7.2008)

Biswadip Gupta (from 29.7.2008)

Yves M.C.M.G. Nokerman (from 29.7.2008)

Sudipto Sarkar

**Share Transfer & Investor Grievance Committee**

Dr. Saibal Kanti Gupta

Shekhar Datta

Tanmay Kumar Ganguly

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 - Marketing & Business Development

Sudarshan Das  
Chief Executive - Sales

Sanjoy Dutta  
Executive Director - Finance

Subrata Roy  
Chief Executive - Operations

**AUDITORS****Messrs BSR & Associates**

Chartered Accountants

Infinity Benchmark, Plot No. G-1, 10th floor

Block - EP & GP, Sector - V

Salt Lake City, 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 : Chakrapani.Devburman@vesuvius.com



VESUVIUS



## Notice

**Notice** is hereby given that the eighteenth Annual General Meeting of Vesuvius India Limited will be held at G D Birla Sabhaghar, 29, Ashutosh Chowdhury Avenue, Kolkata 700019 on Tuesday, April 28, 2009 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, 2008, and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr Sudipto Sarkar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr Biswadip Gupta, 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 BSR & Associates, Chartered Accountants, be and are hereby appointed 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 24, 2009

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 21, 2009 to April 28, 2009**, 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 4, 2009 and dividend warrants will be despatched on or after May 11, 2009 to those members whose names appear on the Register of Members on April 28, 2009 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, 2009.
7. Dividend for the year ended December 31, 2001 which was declared at the Annual General Meeting held on April 17, 2002 and remaining unclaimed will be transferred to the Investor Education and Protection Fund of the Central Government in April 2009 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 on February 16, 2009.



**VESUVIUS**



8. The shares of the Company are tradable compulsorily in electronic form. **The ISIN number allotted is INE386A01015.** In view of the numerous advantages offered by the depository system, Members are requested to avail of the facility of dematerialization of the Company's shares.
9. Pursuant to Clause 49 of the Listing Agreements with the stock exchanges, it is informed that Mr Sudipto Sarkar and Mr Biswadip Gupta 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 Sudipto Sarkar, a renowned Barrister, is a Director of the Company since July 26, 2005. He holds B.Sc. (Maths-Hons) from Presidency College, Kolkata; BA (Law Tripos) from Jesus College, Cambridge, UK; LL.M, (International Law) from Jesus College, Cambridge, UK; M.A. (Law) from Jesus College, Cambridge, UK. He is also Barrister, Gray's Inn, London. He is presently practising as a Senior Advocate. He also has several publications to his credit on Evidence, Law of Civil Procedures and Specific Relief Act. He is the collaborating editor of Ramaiya's Guide to the Companies Act and contributor to several volumes of International Law Reports (Cambridge). He has also instituted the Sarkar Law lectures in Kolkata, where senior English Judges such as Lord Slynn of Hadley, Lord Nicholls of Birkenhead and Lord Justice Robin Auld have lectured.

He was formerly Chairman of the Board of Directors of Clarion Advertising Services Ltd, now known as Bates India Ltd and President of The Bengal Club, Calcutta 1998-99. He is presently a Director of Bombay Stock Exchange Limited, JSW Steels Ltd (formerly, Jindal Vijaynagar Steel Limited) and DESCON Limited. He is the Chairman of the Surveillance Committee and the Disciplinary and Defaulters Action Committee of the Bombay Stock Exchange.

Mr Sarkar is a member of the Audit Committee and Share Transfer and Investor Grievance Committee of the Board of Directors of the Company. His nature of experience is in Law and Corporate Affairs. He does not hold any shares in the Company.

**Item No. 4 :** Mr Biswadip Gupta is a BE(Metallurgy) and MBA and has about 37 years experience in the steel and refractory industry. He has received extensive training worldwide in the refractory making industry during his 20 years association with the Vesuvius Group, UK before being associated with Vesuvius India. Since 1979 he was the Consultant Director, Indian Operations of Vesuvius Corporation SA, Switzerland. Mr Gupta had joined the Company as a Director in 1991 and was the Managing Director from 1992 upto April 17, 2007 and thereafter continued as a non-executive Director. He had been instrumental in setting up of the Indian operations. Mr Gupta was the recipient of the Chief Executive's Award for outstanding performance in 1993 and again in 2003 from the Vesuvius Group.

Mr Gupta was formerly President, Bengal Chamber of Commerce and Industry, Deputy Chairman of the Indian Refractory Makers Association and Chairman of CII (Eastern Region). He is presently Jt. Managing Director & CEO of JSW Bengal Steel Ltd and Director of JSW Steel Limited, NICCO Engineering Services Ltd, Barbil Beneficiation Company Ltd, DESCON Ltd and Member Managing Committee of Bengal Club Ltd. He is a member of the Projects Review Committee of JSW Steel Limited.

Mr Gupta is a member of the Audit Committee and Share Transfer and Investor Grievance Committee of the Board of Directors of the Company. His nature of experience is in Steel and Refractory business, Corporate Affairs and Finance. He holds 74049 shares in the Company.

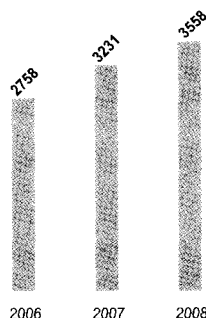
**Members are requested to bring their copies of the Annual Report and Admission Slip to the Meeting.**



**VESUVIUS**



**Total Income**  
Rs in million



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

FOR THE YEAR ENDED ON DECEMBER 31, 2008

The Directors have pleasure in submitting their Annual Report together with the Audited Statements of Account for the year ended on December 31, 2008.

### The Year in Retrospect

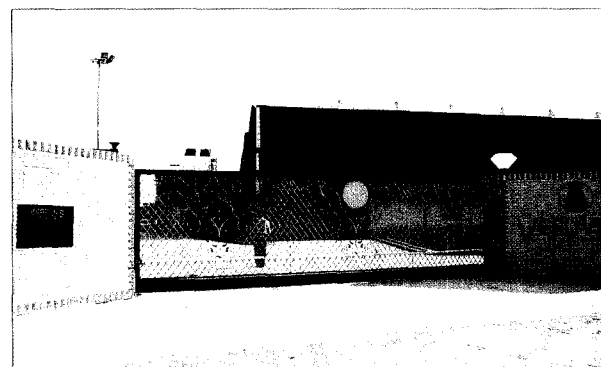
#### Financial Results

	Year ended 31.12.2008	(Rs. Million) Year ended 31.12.2007
Sales & Services (excluding Excise Duty)	3,525	3,194
Other Income	33	37
<b>Total Income</b>	<b>3,558</b>	<b>3,231</b>
Profit before Depreciation, Interest & Tax (PBDIT)	585	604
Depreciation	86	83
Interest	16	19
Profit before Tax	483	502
Exceptional Item	6	-
Provision for Income Tax	171	181
Profit after Tax	306	321
Balance as per last Balance Sheet brought forward	1,047	847
<b>Available for appropriation</b>	<b>1,353</b>	<b>1,168</b>
Appropriations made :		
Proposed Dividend	40	76
Dividend Tax	7	13
Transfer to General Reserves	31	32
	78	121
<b>Profit &amp; Loss Account Balance</b>	<b>1,275</b>	<b>1,047</b>
	<b>1,353</b>	<b>1,168</b>

#### Operating & Financial Performance, Internal control

The Company has retained its "debt-free" status despite huge investments in expansion projects and enhanced working capital requirement due to increase in business.

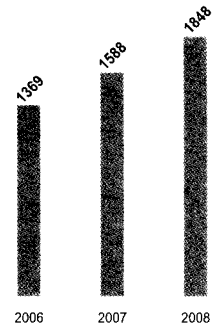
This year's annual results have shown a revenue growth of over 10% driven by a strong domestic growth of 18% and a decline in exports by 17%. Export revenues were impacted by devaluation of US Dollar vis-à-vis Indian Rupee and lower export volumes to Vesuvius Group companies. The operating profit (PBDIT) at Rs 585 million for



VESUVIUS



**Net Worth**  
Rs in million

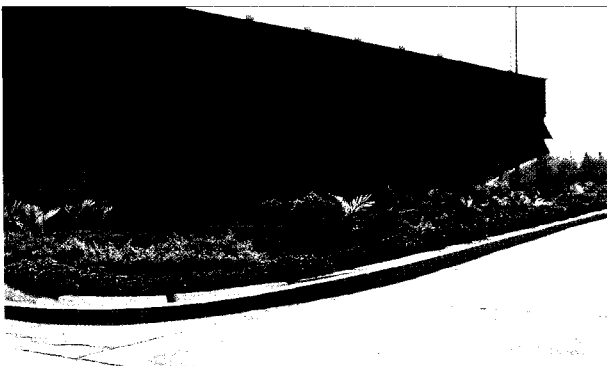


the year is lower by 3% over last year. Despite the fact that steel production in 2008 has been almost at the same level as 2007, our domestic sales growth of 18% indicate higher market share and increased revenue from penetration into new business like power boiler & tap-hole clay etc.

Unprecedented global economic slowdown and its consequent impact on the metal industry in India caused sharp decline in our revenues and profits in the last 3 months of 2008. The same trend has been maintained in first few months of 2009. However, the Company recorded excellent revenue growth in the first 9 months of 2008 and hence reported results for the full year have been in line with expectation.

The decline in profitability is due to sharp increase in raw material prices right through 2008 and lower volumes in last 3 months of the year. By end of the year we are back to a regime of increased pressure from our customers to reduce prices and aggressive competition from other industry players. Despite a challenging business environment our management team has remained focused on delivering highest level of service to customers with good technology support from the parent company and assured performance of our products.

◀ New Visakhapatnam Plant



A new factory had been commissioned in December 2007 near our existing factory at Visakhapatnam. This is the fourth manufacturing facility of the Company. This factory is manufacturing pre-cast shapes and tap-hole clay. Commercial production of pre-cast shapes in the new facility has commenced from December 22, 2007 and tap-hole clay from April 29, 2008. The total installed capacity of the two factories at Visakhapatnam together is 96,500 tons per annum increased from 39,600 tons.

All four factories had been working at near full capacity during the year but as a result of the global economic crisis, volumes dropped at Kolkata factory towards the end of the year. All factories have achieved significant reduction in specific energy consumption through sustained engineering efforts and better plant utilization. Improvements have also been made in supply chain resulting in prompt and just-in-time deliveries and reduced inventory level.

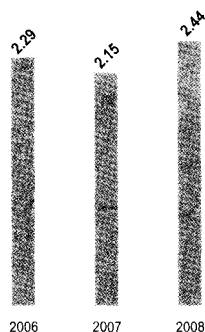
The Company has in place an established internal control system designed to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. Internal Audit on pan India basis was conducted by M/s Deloitte Haskins & Sells, Chartered Accountants. In addition Cookson Group internal audit function carried out several audits during the year.

The Company has complied with the provision of the Code on Internal Control which require that the Directors review the effectiveness of internal controls including financial, operational and compliance control and risk management systems. Self certification exercises are also conducted by which senior management certify effectiveness of the internal control system for which they are responsible together with the Company's policies.



VESUVIUS



Current Ratio  
Times

### Auditors' Report

Difference in opinion expressed by Auditors in para 4(f) of their Report to Members of the Company dated February 24, 2009 relate to classification of toolings which according to the Auditors should be classified under fixed assets. The Company is consistently following the normal industry practice of classifying them as inventory. In either case there is no impact on profits after tax.

### Vesuvius Diary

This year witnessed greater involvement of the Group in their Indian operations. A number of Cookson Group and Vesuvius Group personnel visited India during the year for interactions on matters associated with technology transfer, expansion plans, trouble shooting for technical issues, HS&E initiatives and manufacturing excellence.

The new manufacturing facility at Visakhapatnam is now commissioned and is fully operational. It is not only a very modern facility but technologically superior and efficient in operations. A 'Centre of Excellence' has been created in Visakhapatnam to drive technological breakthroughs that can provide cutting edge solutions for our customer's

emerging needs. This will significantly boost our flexibility and improve our reaction time to customer.

A number of steel plants were commissioned with our caster refractories – the notable ones being thin slab caster at Bhushan Steel & Power Limited and the new slab caster at Bhilai Steel Plant.

This year saw our entry in new areas of operations with improved products. Remote repair of "F" Blast Furnace at TATA Steel was done by shotcreting method, enabling customer to run the furnace continuously with most optimum efficiency - which otherwise would have taken minimum of 25 days shutdown and considerable loss of production. All the monolithics including complete cast house refractory required for Tata Steel's "H" Blast furnace and BF 3 at JSW Steel were supplied and applied by us, both of which were commissioned without any problem. Tap-hole clay manufactured at our new Visakhapatnam factory found many happy customers with repeat orders. Again, for the first time a modern castable lining was done in customer's soaking pit resulting in considerable fuel savings for heating of ingot.

The Company had participated in the 7th Indian International Refractories Congress

