

MD	✓		BKC	✓
CS	✓		DPY	MA
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		



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STERLITE
INDUSTRIES
(I N D I A)
L I M I T E D

BOARD OF DIRECTORS

ANIL AGARWAL

Chairman & Managing Director

ISHWARLAL PATWARI

DWARKA PRASAD AGARWAL

HEJMADI NARAHARI RAO

SANDEEP JUNNARKAR

NAVIN AGARWAL

Whole-time Director

S.P. NAGARKATTE

Nominee Director - ICICI

ADVISOR

TARUN JAIN

SOLICITORS & ADVOCATES

KANGA & CO.

AUDITORS

M/s. CHATURVEDI & SHAH
Mumbai

M/s. DAS & PRASAD
Calcutta

BANKERS

CANARA BANK

STATE BANK OF INDIA

SYNDICATE BANK

PUNJAB NATIONAL BANK

ABN AMRO BANK

AMERICAN EXPRESS BANK

BANQUE NATIONAL DE PARIS

THE BANK OF NOVA SCOTIA

CREDIT LYONNAIS

DEUTSCHE BANK

HDFC BANK LIMITED

TRANSFER AGENTS

PCS INDUSTRIES LIMITED
Hyfa Building, No.2, Safed Pool,
Andheri-Kurla Road, Andheri (E),
Mumbai - 400 072.

REGISTERED OFFICE

B - 10/4, Waluj M.I.D.C. Industrial Area,
Waluj, Dist. Aurangabad 431 133.
Maharashtra, India.

CORPORATE OFFICE

Dhanraj Mahal, 5th Floor, CSM Road,
Apollo Bunder, Colaba, Mumbai 400 039.
Maharashtra, India.

WORKS

Jelly Filled Cables - Unit - I

B-10/4, Waluj M.I.D.C. Industrial Area,
Waluj Dist. Aurangabad 431 133.

Jelly Filled Cables - Unit - II

Survey No.209, Piparia Indl. Estate,
Phase II, Silvassa (Dadra & Nagar Haveli) (U.T.).

Optical Fibre Cables

E - 1, M.I.D.C. Industrial Area,
Waluj Dist., Aurangabad 431 136.

Optical Fibre

E - 2, M.I.D.C. Industrial Area,
Waluj Dist., Aurangabad 431 136.

Continuous Cast Copper Rods - Unit - I

Bombay - Pune Highway,
P.O. Takwe Khurd, Taluka Maval,
Lonavala, Dist. Pune 410 405

Continuous Cast Copper Rods - Unit - II

Survey No.209, Piparia Indl. Estate,
Phase II, Silvassa (Dadra & Nagar Haveli) (U.T.).

Aluminium Alloy Sheets & Foils

Sanaswadi, Taluka Sirur, Dist. Pune.

Aluminium Conductor

Karanjawane, Taluka Velhe, Dist. Pune.

Copper Cathodes (Smelter)

Zone A & B, Sipcot Industrial Complex,
Tuticorin, Tamil Nadu

Copper Cathodes (Refinery)

Plot No. 1/1/2, Village Chinchpada
Silvassa - 396 230 (Dadra & Nagar Haveli) (U.T.).

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in submitting their 22nd Annual Report together with Audited Accounts for the year ended 30th June, 1997.

FINANCIAL PERFORMANCE

	Current Year	Rupees in crore Previous Year
Gross Profit	149.22	159.88
Less : Depreciation	21.17	17.61
Taxation	1.13	2.11
Taxation for earlier years	1.91	—
Debenture Redemption Reserve	25.00	6.25
Preference Share Redemption Reserve	—	10.00
Add : Balance brought forward from previous year	89.62	48.51
Balance transferred on amalgamation	—	1.39
Amount available for appropriations	189.63	173.81
Appropriations:		
(a) Interim dividend paid on Preference Shares	1.19	0.43
(b) Foreign currency fluctuation reserve	15.00	—
(c) Proposed dividend		
— Preference Shares (final)	—	0.32
— Equity Shares	34.97	33.44
— Tax on dividend	3.50	—
(d) General Reserve	50.00	50.00
Balance carried forward to next year	84.97	89.62

DIVIDENDS

(a) Equity Shares

Your Directors recommend payment of dividend at the rate of Rs. 8.00 per equity share. In addition to this, the Company shall also pay tax on dividend amounting to Rs. 3.50 crore under the amended law relating to taxation of dividends. The total dividend payment including tax thereon for the financial year ended 30th June, 1997 aggregates to Rs. 38.47 crore as against Rs.33.44 crore in the previous year. The shares allotted during the year to the Shareholders of the erstwhile Sterlite Communications Limited, consequent on amalgamation, will be entitled for pro-rata dividend from the date of allotment.

(b) Preference Shares

Interim dividend at the rate of 13% per annum pro-rata on Preference Shares has been paid during the year. Since the Preference Shares were redeemed in full in May 1997, no final dividend is recommended.

REVIEW OF OPERATIONS

During the year under review, your Company achieved sales of Rs. 1071 crore, registering a growth of 6 % over the previous year. However, the profits both at gross and net level, marginally declined by 7 % and 9 % respectively. At the end of the year, Company's reserves stood at Rs. 1013.06 crore and the book value of share stood at Rs. 238.07 per share.

TELECOMMUNICATION CABLES DIVISION

Jelly Filled Cables

During the year under review, your Company was the largest supplier of jelly filled cables in the country though the dispatches decreased by about 20% from 41.03 lckm to 32.88 lckm due to delay in release of orders by Department of Telecommunication (DoT).

However, during the current year, your Company has received largest order of 36 lckm from DoT for supplies on cash basis and expects further orders for supplies on deferred payment terms. In view of DoT's plans for increasing the telephone network within the country and with the entry of the private basic telecom service operators, the demand for jelly filled cables is expected to further increase in coming years. Your Company, by virtue of integrated operations and low operating cost, continues to be one of the lowest cost producers of jelly filled cables in the country.

Optical fibre cables

During the year under review, the sales of optical fibre cable reduced to 14,826 fkm from 66,871 fkm mainly due to the cancellation of tender by DoT and subsequent delay in finalising the order. Consequently, your

plant could effectively run only for four months.

However, during the current year, your Company has procured largest order from DoT. With the entry of private basic telecom service operators, the demand for optical fibre cables is expected to increase substantially. The Company is also making efforts for exporting optical fibre cables.

Your Company, with continuous Research & Development (R&D) efforts has developed new kind of optical fibre cables and optimised operational process parameters by redesigning the cable structure to the satisfaction of the customers. The Company has also developed multi-mode optical fibre cable especially to cater to the export market.

CONTINUOUS CAST COPPER RODS (CCR)

During the year, your Company became the largest supplier of CC Rods in the country. The volume of CCR sales increased to 50,360 MT from 24,477 MT recording a substantial growth of 106 %. In the coming years, with assured supply of copper cathodes from the copper smelter, the CCR division is expected to achieve higher sales and increased profitability.

OPTICAL FIBRE DIVISION

During the year under review, your Company achieved highest production of optical fibre in the country. Your Company has reputed customer based for this high technology product in the countries in European Union, Latin America and Far East Asia. The Company is making further efforts to increase exports. The demand for optical fibre in the domestic market would increase with the entry of private basic telecom service operators. The average growth rate projected for the next six years for optical fibre worldwide is over 18%. In order to capitalise on this opportunity and to achieve further economies of scale, your Company plans to further expand the capacity of optical fibre plant. The part of the planned capacity is expected to come on stream in the current year.

ALUMINIUM FOIL DIVISION

Your Company is now concentrating only on high value added foils business. With the building up of the power generating capacity in the country, the need for transmission cables has also increased. Keeping this in view, your Company has recommenced the production of aluminium conductor steel reinforced (ACSR) transmission conductors and is also exploring the possibility for export of transmission conductors.

COPPER SMELTER

The copper smelter plant of your Company, largest in the country, commenced trial runs in January 1997. After initial startup period, the plant was in the process of stabilization, when on July 6, 1997, the Company faced false allegation of gas leakage. The Government of Tamilnadu set up an expert panel to investigate the cause of the above



accident. The expert panel absolved Sterlite of any responsibility for the accident. The Government revoked the closure order and your plant resumed operations on August 13, 1997. After the re-opening, unfortunately, an accident occurred in the Rotary Holding Furnace (RHF) on August 30, 1997. RHF is simple horizontal furnace where smelted copper is stored temporarily for settling. The repair work of the furnace has been completed under the supervision of experts from collaborator - M.I.M, Australia and other engineering consultants. The plant is expected to re-commence production shortly.

The current year operations of your copper smelter are expected to further increase turnover and profits of your Company.

PAPER PROJECT

With a view to focus more on its core business areas, the Board has decided to hive off the Paper Project to a separate Company. Your Company shall obtain all necessary approvals as may be necessary for this purpose. Members' approval is being sought through an appropriate resolution in the ensuing AGM.

FINANCE

During the year, your Company successfully raised US \$ 81 million foreign currency loan by way of Floating Rate Notes (FRN) at an interest rate of 1.30 percent per annum over the London inter bank offered rate (LIBOR).

FIXED DEPOSITS

Your Company did not accept any fixed deposit during the year under review.

DIRECTORS

Shri Hejmadi Narahari Rao and Shri Dwarka Prasad Agarwal retire by rotation and being eligible, offer themselves for re-election.

AUDITORS

Note No.2 (a) of Schedule 18 to the Accounts as referred in the Auditors report is self-explanatory and, therefore, do not call for any further comments or explanations.

M/s. Chaturvedi & Shah, Chartered Accountants and M/s Das & Prasad, Chartered Accounts, auditors of your Company retire at the forthcoming

Annual General Meeting and being eligible offer themselves for re-appointment.

PARTICULARS OF TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

As required under Section 217(1) of the Companies Act, 1956 and rules made therein, the particulars of technology absorption and foreign exchange earnings and outgo are given in Annexure I, which is attached hereto and forms part of the Director's Report.

PARTICULARS OF EMPLOYEES

Information in accordance with Sub-Section (2A) of Section 217 of the Companies Act, 1956, as amended, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Director's Report for the year ended on 30th June 1997 is given in Annexure II to this report.

PROMISE V/S PERFORMANCE

Statement of Projections vs. Performance for 1996-97 as per Prospectus dated 23rd December 1992 pursuant to Clause 43 of the Listing Agreement:

	(Rs. in crore)	
	Projections	Actual
Net Sales	973.60	1071.44
Profit after Tax	109.09	126.92

ACKNOWLEDGEMENT

Your Directors gratefully acknowledge the co-operation and assistance received from the Financial Institutions, Bankers, Collaborators, Central and State Government Departments and Local Authorities and thanks them for their continued support and valuable assistance.

Your Directors would also like to acknowledge the continued support of the Company's shareholders.

In conclusion, your Directors would like to record their deep appreciation of the dedicated support and services rendered throughout the year by Company's personnel at all levels.

On behalf of the Board of Directors

Place: Mumbai
Dated: 30th September, 1997

ANIL AGARWAL
Chairman & Managing Director

ANNEXURE I

PARTICULARS OF TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER SECTION 217 (1) OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREIN AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 30TH JUNE 1997

A) CONSERVATION OF ENERGY

Your Company continues its on going efforts in the area of energy conservation. The energy conservation is achieved by ensuring optimum utilisation of electricity, fuel and water at all plants of the Company.

B) TECHNOLOGY ABSORPTION

- Specific areas in which R & D carried out by the Company :
 - Improving process parameters and production techniques in all your plants
 - Installed latest state-of-the-art equipments in the central laboratory and environment laboratory set up at copper smelter plant
 - Re-design the cable structure of optical fibre cables to the satisfaction of DoT
 - Indigenisation of raw materials, spares and tools
- Benefits derived as a result of the above R & D :
 - Reduced cost of production by optimising process parameters and improvement in productivity
 - Further improved quality of products and reduced scrap generation
 - Enhanced product range of CCR, optical fibre, telecom cables and aluminium foils to meet the diverse needs of customer
 - Saving in foreign exchange through indigenisation
- Future plan on R & D :
 Further strengthening Research and Development work to achieve savings in production costs, to develop import substitute products, to develop product for export market, to continue and further improve efforts for environment improvement and to reduce scrap generation .
- Expenditure on R & D :
 Expenditure on R & D has not been separately accounted.

C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts, in brief, made towards technology absorption, adaptation and innovation :

- Technology for manufacture of polyethylene insulated jelly filled cables, continuous cast copper rods and optical fibre cables has been fully absorbed and improved upon.
 - Efforts continued to fully utilise the technology provided by J.W Aluminum Company, U.S.A for manufacture of aluminium alloy sheets and foils and Nokia Maillefer Oy, Finland for optical fibre. Technology for copper smelting and refining is in the process of absorption.
- b) Benefits derived as result of the above efforts e.g product improvement, cost reduction, product development, import substitution etc.
- Improvement in operation and productivity
 - Reduction in cost
 - Improvement in quality
- c) Information regarding technology imported during last five years :

	Product	Year of Import	Status of Absorption
(i)	Continuous cast copper rod	1991 - 92	Fully Absorbed
(ii)	Aluminium alloy sheets and foils	1992 - 93	Under Absorption
(iii)	Optical fibre	1995 - 96	Under Absorption
(iv)	Copper smelting and refining	1996 - 97	Under Absorption

D) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, Company has exported optical fibre and is giving thrust to export optical fibre and optical fibre cables. The total foreign exchange earnings during the year was Rs. 1224.81 lakhs and outflow was Rs. 57240.21 lakhs.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 30th September, 1997

ANIL AGARWAL
Chairman & Managing Director

ANNEXURE II

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED 30TH JUNE 1997.

Sl. No.	NAME	AGE YRS.	DESIGNATION	QUALIFICATION	EXPERIENCE	GROSS REMUNERATION RS.	DATE OF COMMENCEMENT OF EMPLOYMENT	LAST EMPLOYMENT HELD
(A)	Employed throughout the financial year under review and were in receipt of remuneration for the financial year in aggregate not less Rs. 3,00,000/-							
1	Anil Agarwal	45	Chairman & Managing Director	B.Com.	27	2,121,534	03.06.1980	Business
2	Ansar Ali	35	Plant Manager	B.E. (Civil), AMIE	10	515,004	01.04.1996	Sterite Communications Ltd. Manager (Works)
3	Ashok Anand Rao	35	Manager - (Production)	B.Sc. Dip. in Elect.	14	334,500	01.04.1996	Sterite Communication Ltd Manager (Prod.)
4	A.B.Murthy	48	Manager (Engg.)	B.Tech. (Mech.)	27	404,020	24.05.1993	Finolex Cables Ltd. Manager (Maint.)
5	Dr.Anand Agarwal	31	G.M. (Mktg.)	M.S. (USA), PhD	8	388,485	14.08.1995	Siemens Ltd Manager QA
6	A. K. Jain	35	A.G.M (Electrical)	M.E. (Electrical)	14	376,440	01.04.1995	Cement Corp. of India, Manager (Elect.)
7	B. Ahmad	57	Vice President (Operations & Group HRD)	B.E (Mech.)	34	657,760	11.01.1988	Hindustan Cables Ltd. Production Manager
8	B. Chobisa	31	Plant Manager	B.E (Chemical)	8	434,724	01.04.1996	Sterite Communications Ltd. Manager (Process)
9	B. Pandey	49	G.M (Projects)	B. Sc	26	398,140	16.08.1995	National Aluminium Co. Ltd. Manager
10	C.B.R.Murthy	37	Sr. General Manager (Finance & Taxation)	B.Com, ACA, DCM	14	691,036	09.05.1985	Mather & Platt (I) Ltd. Accountant
11	C. V. Kameshwar Rao	35	Manager (QC)	B.E.(Electronics)	11	307,461	19.05.1994	Tamil Nadu Telecom Ltd,Engineer (QC)
12	D. Ravindranath	34	Sr. Manager Maintenance	B.E.(Mechanical)	12	376,731	26.07.1994	Tamil Nadu Telecom Ltd, Manager Maintenance
13	D.K.Bandopadhyay	55	Sr. Vice President	B.E.	34	1,060,410	02.05.1995	Andrew Yule & Co. Ltd. Chief Executive-Engg.Div.
14	D.L.N.Shastri	37	Sr.General Manager (Marketing)	B.Com, MBA	15	556,137	12.04.1992	Hindustan Cables Ltd. Commercial Officer
15	G. L. Banerjee	33	Manager (Production)	B.E., MBA (Finance)	10	305,905	10.04.1995	Hindustan Cables Ltd, Asst. Manager (Production)
16	G.D.Ghosh	49	General Manager (Operations)	B.E. (Mech.)	27	555,780	22.07.1987	Oriental Power Cables Ltd. Asst. Manager (Maintenance)
17	Gopinath Pullot	35	A.G.M (Mktg.)	B.Tech, MBA	10	359,619	21.08.1995	T & I Ltd,Zonal Mktg. Manager
18	G.R.Choudhary	43	General Manager (Operations)	B.E.(Elect.)	23	641,518	01.10.1987	Oriental Power Cables Ltd. Asst.Plant Superintendent
19	Hemant Jalan	40	Sr. Vice President	B.Tech., M.S. (USA)	16	740,102	23.02.1996	Business
20	H. P. Singh	46	Sr. Manager (Smelter)	B.E.(Metallurgy)	20	385,560	10.06.1996	Hindustan Copper Ltd, Chief Manager (Met)
21	H.R.Raghavan	52	General Manager (Smelter)	B.Tech. (Metallurgy)	29	498,416	17.05.1995	Indian Aluminium Co.Ltd. Manager (Smelter Sales & Tech)
22	J. V. Kanada	37	D.G.M. (F & A)	B.Com., ACA	15	438,246	11.04.1995	Praga Tools Hyderabad, Dy. Mgr. (Accounts)
23	J. R. Venkatraman	50	G. M. (Eng. Services)	B. E. (Hons)- Mechanical	28	592,300	10.08.1995	Hindustan Copper Ltd, Chief Mgr. (Smelter)
24	Kiran Naik	35	Manager (Accounts)	M. Com, AICWA	11	335,109	15.03.1991	Sudarshan Chemicals Ind. Ltd, Sr. Accts. (Officer)
25	Lalit Singhvi	34	General Manager (F & O)	B.Com., ACA	11	679,392	01.04.1996	Sterite Communications Ltd. Dy.General Manager (Fin. & Acct.)
26	Mahendra Patwari	34	Vice President	B.Tech.(Mech.)	13	409,360	01.01.1989	Business
27	Mansoor Siddiqi	44	General Manager (Operations)	B.Tech. D.M.M	21	675,430	01.07.1991	Hindustan Copper Ltd. Asst Chief Engineer
28	Mukesh Arora	31	V.P (Operations)	M.Tech., (Fibre Optic)	8	533,950	01.04.1996	Sterite Communications Ltd. Plant Manager
29	Navin Agarwal	36	Whole-time Director	B.Com.	14	1,444,545	01.04.1996	Sterite Communications Ltd. Managing Director
30	N.M.Kulkarni	41	General Manager (Commercial & Admn.)	B.Com, MBA, AICWA, CS (Inter)	20	452,420	23.05.1988	Primalakhs Alcohols Pvt.Ltd. Project Manager
31	N.Shashikant	33	General Manager (Finance)	B.Com., ACA	11	492,971	24.01.1995	Duratube Ltd., U.K. Controller of Factory Accounts
32	N.M.Tandle	32	Sr. Manager (Prod.)	B. E. (Prod.)	11	325,180	26.04.1988	Bajaj Auto Ltd, Assistant Engineer
33	N Sankar	40	Manager-Accounts	B.Sc, ACA	15	309,210	02.06.1995	Rashtriya Chemicals & Fertilisers Ltd Asst. Manager (Finance)
34	P. G. Nayak	48	G. M. (Alumina)	B.Tech.	25	403,528	01.07.1995	Pampasar Distillery Ltd, Chief Exec.
35	P. K. Banerjee	42	Sr. Manager (Commercial)	B. A.	18	323,864	01.04.1996	Sterite Communication Ltd. Sr. Manager (Commercial)
36	P.R.Bandopadhyay	44	Plant Manager	M.Tech.(Elect.)	16	417,120	10.04.1993	Hindustan Cables Ltd, Dy.Mgr.(Proj.)
37	P. Subramanian	45	Sr. Mgr. (Mech.)	DME, AMIE	16	309,260	27.09.1995	SPIC Ltd, Manager (Mechanical)
38	Praveen Saxena	45	Dy.General Manager (Marketing)	B.E.(Elect.), MBA	21	507,640	24.10.1992	Optel Telecommunications Ltd. Sr.Manager (Cable Production)
39	P. V. Raju	37	Sr. Mgr.(Mech.)	B. Tech(Mech.)	13	317,760	04.03.1995	Hindustan Zinc Ltd. Sr. Mech. Engg.
40	R. M. Singh	49	G. M. (Smelter)	B. E. (Metallurgy)	26	553,900	06.09.1995	Hindustan Copper Ltd. Chief Manager (Smelter)
41	Ravindra Muthugi	36	Sr. Mgr. (Inst)	B. E. (Electronics & Communication)	14	338,302	20.07.1995	Hindustan Copper Ltd. Asstt. Chief Engineer (Instrumentation)
42	Sandeep Gokhale	34	Vice President (Projects)	B.E. (Elec.), DSM, M.F.M.	12	583,120	02.01.1993	The Industrial Credit & Investment Corporation Of India Ltd, Officer
43	Sanjeev Zutshi	49	General Manager (Acid Plants)	B.Tech. (Metallurgy)	25	580,600	13.06.1995	Zambia Consolidated Copper Mines Ltd, Acid Plant Superintendent



Sl. No.	NAME	AGE YRS.	DESIGNATION	QUALIFICATION	EXPERIENCE	GROSS REMUNERATION RS.	DATE OF COMMENCEMENT OF EMPLOYMENT	LAST EMPLOYMENT HELD
44	Satish Bhatnagar	50	Sr.General Manager	D.E.E.	27	589,592	28.02.1989	Usha Beltron Ltd. Manager (Electricals)
45	Satish Jain	41	Sr. Manager (Commercial)	B.Com.	20	487,653	19.02.1977	—
46	S.Balasubramanian	44	General Manager (Marketing)	B.Sc., PGDPR	21	502,010	12.07.1991	Hindustan Cables Ltd. Turnkey Project
47	S. Banerjee	35	Sr. Manager (F&A)	ACA	6	319,928	05.05.1995	Usha Beltron, Dy. Manager (Fin.)
48	S.B.Goswami	45	Dy. General Manager (Commercial)	B.Com.	23	630,144	25.11.1976	—
49	S. Munugaperumal	34	Manager (PAP)	B. Tech.(Chemical)	12	313,200	12.07.1995	SPIC Ltd, Joint Manager (Operations)
50	S.Harpal Singh	57	President	B.Sc., B.E.(Mech.)	37	1,270,805	10.04.1995	Hindustan Copper Ltd. Director (Operations)
51	Sushil Gupta	31	Sr. Manager (Accts.)	ACA	7	323,064	01.04.1996	Sterite Communication Ltd, Mgr.(Acct.)
52	Sunil Jagtiani	36	Asst.General Manager (Marketing)	B.Tech. (Metallurgy)	13	414,144	01.04.1996	Sterite Communications Ltd. Asst.General Manager (Mktg.)
53	S.Kulkarni	37	Plant Manager	B.E. (Production)	17	451,806	28.01.1993	Tamilnadu Telecommunications Ltd. Production Manager
54	S.L.Bajaj	44	Sr. General Manager (Corporate Accounts & MIS)	B.Com., FCA	20	561,346	09.06.1995	M.P. Iron & Steel Co. (Unit: Hindustan Development Corp. Ltd.) DGM (Accounts & Admn.)
55	Santosh Maheshwari	33	Asst.G.M. (Finance)	B.E. (Mech.), MMS (Finance)	8	369,204	30.12.1993	Industrial Finance Corporation of India Ltd., Industrial Finance Officer
56	S.Ramalingam	62	President (Hydro Carbons)	B.E., P.G.D in Indl.Engg. & Mech. B.E. (Mech.)	38	1,057,100	01.04.1995	Madras Refineries Ltd. Chairman & Managing Director
57	S.Saxena	32	Dy. General Manager (Manufacturing)	B.E. (Mech.)	8	474,792	06.01.1993	Optel Telecommunications Ltd. Sr.Engineer(Production)
58	Dr. S.V.S.S. Murthy	55	Chief of R & D	M.Sc. PhD	28	540,660	24.09.1995	Hindustan Copper Ltd., Chief Manager (R&D)
59	T.M.Mukhopadhyay	42	Asst.General Manager (Operation)	B.Sc., B.E(Met), DIM	18	393,360	01.04.1996	Sterite Communications Ltd. Asst. General Manager (Works)
60	Umesh Mehta	39	Dy.General Manager (Corporate Affairs)	B.Sc., D.B.M.	19	510,744	05.12.1978	—
61	V.Ramanathan	37	General Manager (F & A)	B.Sc., ACA	13	490,514	22.01.1992	Malabar Building Products Ltd. Chief Accounts Officer
(B) Employed for part of the year and were in receipt of remuneration at the rate not less than Rs.25,000/- per month								
1	Animesh Dutta	42	Manager (OC)	AMIIM,Dip. in SQC	21	339,192	04.10.1995	Hindustan Copper Ltd, Sr.Prod.Eng.(Met.)
2	Anil Kumar Joshi	35	Sr. Manager(Accts.)	B.Com.ACA	10	30,962	31.01.1992	H.J.M Paper Mills. (Accts. Officer)
3	A. Subramanian	42	D.G.M (F & A)	B.Com.ACA	17	279,175	15.09.1994	Harrisons Industries Ltd., Chief Accounts Officer
4	A.T.Panjwani	40	V.P. (Finance)	B.Com., FCA	18	125,598	02.05.1997	Gammon (India) Ltd, V. P. (Finance)
5	A.Mukerjee	44	Group General Manager (Commercial)	B.E.(Mech.), PGDPM	19	187,841	18.03.1996	SAE (I) Ltd. DGM (Materials)
6	Balram Menon	52	Vice President	B.E.	26	194,250	03.04.1995	Hindustan Copper Ltd. Executive Director (Commercial)
7	B. N. Baliga	54	G.M.(Electrical)	B.E. (Elect.)	31	185,969	01.12.1996	Indian Aluminium Co. Ltd, Engg. Manager (Chemical Business)
8	Colin Coelho	40	G.M.(HRD)	B.Sc. M.Sc. MBA	14	214,153	15.10.1996	Muscat Consultancy Services, Oman, Chief Consultant(HRD)
9	D.M. Navekar	44	G.M. (Commercial)	B.Sc. (Chem),B.Sc. (Tech.)	20	84,360	15.05.1997	Kores India Ltd, G.M.(Trade)
10	G.C.Chatterjee	41	Sr. General Manager (Works)	M.Tech. (Mech.)	17	242,500	06.03.1995	Pennar Aluminium Ltd. Asst.Gen.Manager (Operations)
11	K. Renganathan	41	G. M. (Commercial)	B.Sc., B.Tech (Prod. Technology)	16	228,764	13.12.1996	Ion Exchange (I) Ltd., Divisional Mgr.
12	K. Satyavandan	32	Manager (Imports)	B.E., MBA	7	157,174	06.01.1997	MAC Industries Ltd., Manager (Imports)
13	M.L.Gupta	46	General Manager (Projects)	B.E.(Mech.)	23	114,429	06.07.1992	Hindustan Zinc Ltd.
14	Philips Parthsarathy	40	Sr. Mgr. (Marketing)	MBA	17	295,470	05.08.1996	Gujarat Heavy Chemical Ltd., Area Manager
15	P. H. Joshi	32	General Manager (Manufacturing)	B.Sc. M.Tech	10	93,143	07.04.1997	Aksh India Ltd, Vice President
16	Pritam Singh	43	A.G.M. (Marketing)	B. A, PGD	22	361,524	20.07.1995	Hindustan Copper Ltd, Manager (Comm.)
17	P.Thyagarajan	46	D.G.M. (Oxygen Plant)	B.E. (Chem.)	23	33,912	02.06.1997	Steel Authority of India Ltd., AGM (Oxygen Plant)
18	R. K Chatterjee	56	Dy. Chief General Manager	B. Sc	31	510,342	01.04.1996	Sterite Communications Ltd Dy. Chief General Manager
19	Satish Ailawadi	48	D.G.M (Commercial)	BE,MBA,DMM, MIE.C.Eng	25	38,762	17.05.1997	Nirlon Limited , Manager Materials
20	T. R. Bhoshan	33	Manager (F & A)	B. Com, ACA, Grad. CWA	7	236,731	05.08.1996	Godrej & Boyce Mfg. Co, Asstt. Manager (Accounts)
21	Varghese George	34	Manager (Elec.)	B. Tech.(Electrical)	10	199,306	15.10.1996	Jindal Strips Ltd.,Manager(Elect.)
22	V. K. Handa	51	D.G.M. (ISA)	B.Sc.AMIE(Mett.)	25	237,313	25.12.1996	Hindustan Copper Ltd., Chief Manager (Smelter)

Notes :

- 1 Nature of employment - all appointments except that of Chairman & Managing Director and Whole Time Director are non-contractual.
- 2 Mr.Navin Agarwal is a relative of Mr.Anil Agarwal and Mr.Dwarkanprasad Agarwal, Directors of the Company.
- 3 Mr.Mahendra Patwari is a relative of Mr.Ishwarlal Patwari, Director of the Company.
- 4 Remuneration includes salary, bonus, contribution to provident fund, leave travel concession, house rent allowance and monetary value of perquisites as per Income Tax Act/Rules.

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 30th September, 1997.

ANIL AGARWAL
Chairman & Managing Director

AUDITORS' REPORT

To

The Members of Sterlite Industries (India) Limited.

We have audited the attached Balance Sheet of STERLITE INDUSTRIES (INDIA) LIMITED as at 30th June, 1997 and also the annexed Profit and Loss Account of the Company for the year ended on that date and report as under:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of account, as required by law, have been kept by the Company, so far as it appears from our examination of these books.
3. The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the Notes thereon including Note No.2 (a) of Schedule 18 relating to provision for taxation in respect of the profits for the three months period ended on 30th June, 1997 give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-
 - (i) In case of Balance Sheet of the state of affairs of the Company as at 30th June, 1997, and
 - (ii) In the case of the Profit & Loss Account of the 'PROFIT' for the year ended on that date.

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, we further report that:-

1. The Company has maintained records showing quantitative details of Fixed Assets. Fixed Assets have been physically verified by the management at the end of the year and no material discrepancies were noticed on such verification as compared with the available records. In our opinion, the frequency of such verification is reasonable, having regard to the size of the Company.
2. None of the Fixed Assets has been revalued during the year.
3. The stocks of finished goods, spare parts and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
4. The procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with.
6. On the basis of our examination of stock and other records and considering the method adopted for accounting of excise duty referred to in Note No.6 of Schedule 18 to the accounts, in our opinion the valuation of stocks is fair and proper and is in accordance with the normally accepted accounting principles, and is on the same basis as in the preceding year.
7. The Company has not taken any loans, secured or unsecured from companies under the same management as defined in sub-section (1-B) of Section 370 of The Companies Act, 1956 or from other companies, firms or other parties listed in the register maintained under Section 301 of The Companies Act, 1956.
8. The Company has not granted loans, secured or unsecured,

to companies, firms or other parties listed in the registers maintained under Section 301 and / or to the Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.

9. Loans and advances in the nature of Loans have been given to the employees and to other parties. The repayment of principal and interest wherever applicable, in most of the cases are as stipulated.
10. In our opinion, the internal control procedures for the purchase of Stores, Raw Materials including Components, Plant & Machinery, Equipment and other Assets and for sale of goods are commensurate with the size of the Company.
11. In our opinion and according to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating to Rs.50,000 (Rupees Fifty Thousand only) or more in respect of any party, during the year.
12. The Company has not determined any unserviceable or damaged stores, raw materials and finished goods and hence no provision has been made in the accounts.
13. The Company has not accepted any deposits during the year from the public and hence provisions of Section 58-A and Rules framed thereunder are not applicable.
14. In our opinion the Company has maintained reasonable records for the sale and disposal of scrap and there are no by-products.
15. In our opinion, the Company has an internal audit system commensurate with the size and nature of the business.
16. The cost records required under Section 209(1)(d) of the Companies Act, 1956, are under preparation and as such, we are unable to comment on them.
17. According to the records of the Company, provident fund dues have been regularly deposited. The Company is regular in depositing the Employees State Insurance dues with the appropriate authorities.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as at 30th June, 1997 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a sick industrial company within the meaning of clause (o) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In respect of trading activities, we are informed that the Company does not have damaged goods lying with it at the end of the year. Therefore, no provision for any loss is required to be made in the accounts.

For **CHATURVEDI & SHAH**
Chartered Accountants

D. CHATURVEDI
Partner

Place : Mumbai.
Dated : 30th September, 1997.

For **DAS & PRASAD**
Chartered Accountants

H.P. AGARWALA
Partner



BALANCE SHEET AS AT 30TH JUNE, 1997

	Schedule	As at 30th June 1997 Rs.(in lacs)	As at 30th June 1996 Rs.(in lacs)
I. SOURCES OF FUNDS:			
1. Shareholders' Funds			
(a) Capital	1	4441.83	5434.44
(b) Reserves & Surplus	2	102188.17	93580.12
		106630.00	99014.56
2. Loan Funds			
(a) Secured Loans	3	38916.44	30030.98
(b) Unsecured Loans	4	80072.65	36661.74
		118989.09	66692.72
TOTAL		225619.09	165707.28
II. APPLICATION OF FUNDS:			
1. Fixed Assets	5		
(a) Gross Block		38397.67	34491.34
(b) Less: Depreciation		7871.26	5769.50
(c) Net Block		30526.41	28721.84
(d) Capital Work-in-Progress		108811.43	88431.68
		139337.84	117153.52
2. Investments	6	2842.33	5478.77
3. Current Assets, Loans & Advances			
(a) Interest Accrued on Investments		80.95	234.68
(b) Inventories	7	31009.13	16720.25
(c) Sundry Debtors	8	57470.39	38694.82
(d) Cash and Bank Balances	9	32971.84	1451.86
(e) Loans & Advances	10	15746.21	17346.68
		137278.52	74448.29
Less: Current Liabilities & Provisions	11		
(i) Liabilities		50584.02	28450.67
(ii) Provisions		4137.72	3575.80
		54721.74	32026.47
Net Current Assets		82556.78	42421.82
4. Miscellaneous Expenditure (to the extent not written off or adjusted)		882.14	653.17
TOTAL		225619.09	165707.28
Notes forming part of Accounts	18		

As per our Report of even date

For and on behalf of the Board

For **CHATURVEDI & SHAH**
Chartered AccountantsFor **DAS & PRASAD**
Chartered Accountants**ANIL AGARWAL**
Chairman & Managing Director**NAVIN AGARWAL**
Whole time Director**D. CHATURVEDI**
Partner**H.P. AGARWALA**
Partner**N. SHANKAR**
Deputy Company Secretary

Mumbai, Dated : 30th September, 1997