

Making waves in
Indian telecommunication.



Sterlite Optical Technologies Ltd

The backbone of broadband

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Board of Directors

Arun Todarwal
Haigreve Khaitan
Navin Agarwal
Pravin Agarwal
Dr. Anand Agarwal
 (Whole time Director)

Auditors
 Deloitte Haskins & Sells
 Chartered Accountants

Bankers

ABN AMRO Bank N.Y.
 HDFC Bank Limited
 ICICI Bank Limited
 Punjab National Bank
 State Bank of India

Registrar and Transfer Agents

M/s. Sharepro Services
 (Unit: Sterlite Optical Technologies Limited)
 912, Raheja Centre, Free Press Journal Road,
 Nariman Point, Mumbai 400 021.
 Tel: (022) 22881568/69, 22844668
 Fax: (022) 22825484

M/s. Sharepro Services
 (Unit: Sterlite Optical Technologies Limited)
 Satam Estate, 3rd Floor, Above Bank of Baroda,
 Chakala, Andheri (East). Mumbai 400 099.
 Tel: (022) 28215168, 28348218, 28215991, 28329826
 Fax: (022) 28375646
 Email: sharepro@vsnl.com



DIRECTORS' REPORT

To the Members,

Your Directors present herewith the Fifth Annual Report together with the audited accounts of the Company for the year ended 31st March, 2004.

FINANCIAL RESULTS

(Rupees Million)

Particulars	Year ended 31.03.2004	Year ended 31.03.2003
Income from Operations	1,431.6	1,508.5
Less: Interdivisional Transfers	336.3	180.8
Net Income from Operations	1,095.3	1,327.7
Profit/(Loss) before interest, depreciation & tax	(190.5)	(335.4)
Less: Interest	129.1	248.8
Gross Profit/(Loss)	(319.6)	(584.2)
Less: Depreciation	281.6	276.9
Add: Exceptional Income	485.0	-
Less: Provision for Taxation:		
Current Tax - For earlier Years	19.0	0.2
Deferred Tax - Credit	(45.7)	-
Less: Provision for Contingencies	100.0	-
Profit/(Loss) for the year	(189.5)	(861.3)
Add: Amount transferred from Debenture Redemption Reserve	375.0	-
Add: Balance brought forward from previous year	1,418.3	2,289.6
Amount available for appropriation	1,603.8	1,428.3
Appropriations:		
Transfer to Debenture Redemption Reserve	-	10.0
Balance carried forward to next year	1,603.8	1,418.3

TURNOVER AND PROFIT

During the year under review, income from operations aggregated to Rs. 1,431.6 million and your Company incurred a loss of Rs. 190.5 million before interest, depreciation, tax, exceptional income and provision for contingencies as against an income from operations of Rs. 1,508.5 million and loss before depreciation, interest and tax of Rs. 335.4 million, for the previous year ended 31st March, 2003.

Net loss for the year after tax aggregated to Rs. 189.5 million as compared to the net loss after tax of Rs. 861.3 million for the previous year ended 31st March, 2003.

DIVIDEND

In view of the losses incurred by the Company, your Directors do not recommend any dividend for the financial year ended 31st March, 2004.

OPERATIONS REVIEW

The continuing slow down in the global telecommunication sector by and large marked the year under review. There was no major improvement in the global market for optical fibre and optical fibre cables except in China. Reduction in volumes and lower realisations continue to prevail in the global market.

Optical Fibre Business

Your Company continues to be the only integrated manufacturer of optical fibre in the country with a manufacturing capacity of 4 million kilometer (km) and a strong focus on improvement of productivity and reduction in cost. This has provided your Company with a competitive cost advantage compared to other players in the global market.

Your Company produced 1.07 million km of optical fibre compared to 1.72 million km of optical fibre in the previous year. Production of optical fibre cables aggregated to 0.43 million fibre kilometer (fkm) compared to 0.25 million fkm in the previous year. Your Company continues to be the largest manufacturer of optical fibre products in India.

An Order for 0.97 lakh fkm of ribbon fibre cable was received by the Company from BSNL during 2003-04. This was followed by a repeat order for 0.67 lakh fkm of ribbon fibre cable during 2004-05. Marketing initiatives continue to lay stress on exploring new markets.

Continuous efforts are being carried out to reduce the cost of production to counter the pressure on lower realisations which

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are severely affecting the margins. The Company has benefited from these initiatives and has been successful in reducing its cost of production.

The Company has received an Order from the Commissioner of Central Excise for payment of excise duty and penalty to the tune of Rs. 1982 million for alleged use of imported machineries of the Export Oriented Unit (EOU) for production and sale of Optical Fibre in the Domestic Tariff Area (DTA) against which the Company preferred an appeal with the CESTAT and obtained an unconditional stay for non deposit of the amount demanded. The Company has paid Rs. 30 million without prejudice to its claim.

Jelly Filled Telephone Cables (JFTC)

The Company has once again begun JFTC production after a gap of nearly 20 months. During the year under review, your Company has received an order of 13.19 lakh cable KM from BSNL in the month of March 2004 and the plant has commenced production.

Impairment of Fixed Assets

In view of the introduction of the Accounting Standard 28 on Impairment of Assets (AS 28) issued by the Institute of Chartered Accountants of India, the Company has reviewed its fixed assets and recognized certain assets as non-usable in two divisions as under:

- (a) Optic Fibre Unit: These are mainly due to upgradation of process technology in the total process of fibre manufacturing.
- (b) JFTC Unit: These are mainly due to very old items, very high wear and tear expenses and also surplus items rendered on account of shifting of demand from JFTC to Optical Fibre Cables.

The values of the aforesaid items have been brought down to the recoverable amount. The total impairment loss is Rs. 386.41 million net of consequential reduction in deferred tax liability of Rs. 216.18 million. The net impact of Rs. 386.41 million has been adjusted from the General Reserves of the Company in line with the AS 28.

RESEARCH AND DEVELOPMENT (R&D)

Research and Development continues to be the backbone of your Company. The Company has maintained all R&D facilities created by it. Besides this, the Company undertook many new challenges / projects with a view to improve productivity and decrease the cost of production and the same were successfully achieved during the year.

GROUP

The Company is controlled by the Agarwal Group being a Group as defined under the Monopolies and Restrictive Trade Practices Act, 1969. A list of these entities is given below:

- Volcan Holdings Limited, Bahamas
- Twinstar International Limited, Mauritius
- Mr. Dwarkaprasad Agarwal
- Mr. Agnivesh Agarwal

FINANCE

During the financial year 2004, your Company's primary focus has been the reduction of borrowing cost. Your Company has redeemed the Non Convertible Debentures of Rs.1500 million on the due date. Your Company received back the sum of Rs.1125 million which was placed with Sterlite Opportunities and Ventures Limited (SOVL) as share application money. Your Company also received a sum of Rs. 485 million on account of relinquishment of its interest in SOVL in favour of Sterlite Industries India Ltd.

LISTING

Your Company's shares are listed on the Stock Exchanges at Mumbai, Delhi, Kolkata, Ahmedabad and the National Stock Exchange and trading is permitted only in the dematerialised mode. In accordance with the resolution passed by the Shareholders at the fourth Annual General Meeting held on 19th September, 2003 applications have been made to the Regional Stock Exchanges at Delhi, Kolkata and Ahmedabad seeking delisting of the equity shares of the Company from the said exchanges. The shares are yet to be delisted from these exchanges.

FIXED DEPOSITS

Your Company has not accepted any Fixed Deposits during the year.

DIRECTORS

Mr. Pravin Agarwal was appointed as Additional Director of the Company on 29th January, 2004. Mr. Agarwal holds office till the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Mr. Arun Tadarwal and Mr. Haigreve Khaitan retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.



CORPORATE GOVERNANCE

The Report on Corporate Governance as prescribed by the Listing Agreement is annexed and forms a part of the Annual Report. The Auditor's Certificate on compliance of the provisions of Corporate Governance as mentioned in the Listing Agreement is also attached.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that :

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii) they had selected such accounting policies and applied them consistently, and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2004 and of the loss of the Company for the financial year ended 31st March, 2004;
- iii) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they had prepared the accounts on a "going concern" basis.

AUDITORS

Notes to the Accounts as referred in the Auditors' Report are self-explanatory and therefore, do not call for any further comments or explanations.

Messrs. Deloitte Haskins & Sells, Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a certificate to the effect that their proposed re-appointment, if made, would be within the prescribed limit under Section 224(1-B) of the Companies Act, 1956.

PARTICULARS OF TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Directors) Rules 1988, is annexed hereto and forms part of the Directors' Report (Annexure I).

PARTICULARS OF EMPLOYEES

The particulars of employees as required under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed hereto and forms part of the Directors' Report (Annexure II). However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the report and the Accounts are being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

SUBSIDIARY COMPANIES

Optical Link Limited, the wholly owned subsidiary of the Company has made an application to the Registrar of Companies, Mumbai for striking off its name from the Register of Companies under Section 560 of the Companies Act, 1956 (the Act). Upon due process being followed by the Government of India the name of the Company would be struck off from the Register of Companies and the Company would be dissolved.

Sterlite Telecables Limited and Sterlite Telelink Limited, the wholly owned subsidiaries of the Company have filed Applications with the Hon'ble High Court of judicature at Mumbai seeking approval of a Scheme of Arrangement for the amalgamation of Sterlite Telecables Limited with Sterlite Telelink Limited under Section 391 and 394 of the Companies Act, 1956, effective 1st April, 2004. The Approval of the Hon'ble High Court to the said Scheme of Arrangement is yet to be received.

In terms of the approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, vide its letter bearing number 47/58/2004-CL-III dated 21.06.2004 copies of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the Subsidiary Companies have not been attached with the Balance Sheet of the Company. The Company will make available these documents/details upon request by any member of the Company interested in obtaining the same. Further, these documents will also be kept open for inspection by any member/investor at the Company's Registered Office and that of the subsidiaries concerned. However, pursuant to Accounting Standard 21 issued by the Institute of Chartered Accountants of India, the Consolidated Financial Statements presented by the Company includes the financial information of the subsidiaries.

ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge the contributions made by the employees towards the success of your Company. Your Directors are also thankful for the co-operation and assistance received from financial institutions, banks, Central and State Government Departments and local authorities.

For and on behalf of the Board of Directors,

Place : Mumbai
Dated : 28th June, 2004

Navin Agarwal
Director

Dr. Anand Agarwal
Whole-time Director

Annexure I to the Directors' Report

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 217(1)(a) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Directors) Rules, 1988 for the year ended 31st March, 2004.

(A) Conservation of Energy :

Your Company continues to give high priority to conservation of energy on an ongoing basis.

- (a) Some of the significant measures adopted are :
 - (i) Savings in power through usage of CPP- VAM chiller.
 - (ii) Optimisation of lighting fixtures in administrative areas.
 - (iii) Installation of autpoweroff for electrical energy conservation.
 - (iv) Daily monitoring of fuel consumption and loss for the CPP.
 - (v) Energy saving in utility by proper machine planning.

(B) Technology Absorption :

- (a) Specific areas in which R&D is carried out by Company:
 - (i) Enhanced capability of our product PMD - LITE by improving on PMD performance.
 - (ii) Two patents on our product DOF - LITE RS has been granted.
 - (iii) Two patent applications have been filed.
- (b) Benefits derived as a result of the above R&D :
 - (i) Opportunity to compete in the foreign markets.
 - (ii) Technology upgradation.
 - (iii) Development of new designs in products.
 - (iv) Attaining accreditation of our product from internationally recognized bodies.
- (c) Future Plan on R&D :
The Company's vision is to strengthen and broad base its R&D initiative and focus on new product development as a thrust area in addition to other engineering processes and upgrades.

(C) Technology Absorption, adoption and innovation :

- (i) Efforts, in brief, made towards technology absorption, adoption and innovation :
The technology used for manufacture of various products of the Company is fully absorbed and new innovations in process control, product development, cost reduction and quality improvements are being made on a continuous basis.
- (ii) Benefits derived as a result of the efforts e.g., product improvement, cost reduction, product development :
Improved overall productivity, quality of the products and reduced process scrap and cost.
- (iii) Information regarding technology imported during last 5 years :
No technology has been imported by the Company.

(D) Foreign Exchange Earnings and Outgo :

	Rs. million
1. Foreign Exchange Earned	227.41
2. Outgo of Foreign Exchange	503.98

Form A

Form of disclosure of particulars with respect to Conservation of Energy

Power & Fuel Consumption	Unit	Total
Electricity		
- Purchased Unit	Million Units	3.75
- Total Amount (excl. demand charges)	Rs. million	9.48
- Rate/Unit	Rs.	2.53
- Own Generation	Million Units	27.12
- Unit per unit of Fuel		4.26
- Cost/Unit	Rs.	2.86
Furnace Oil		
- Quantity	MT	6,359.95
- Total Amount	Rs. million	71.14
- Average Cost per KG.	Rs.	11.19
Diesel Oil		
- Quantity	KL	7.48
- Total Amount	Rs. million	0.15
- Average Cost per Ltr.	Rs.	20.08



CORPORATE GOVERNANCE REPORT

Company's Philosophy

Your Company believes in timely disclosures, transparency, accountability and dissemination of information to all its constituents.

BOARD OF DIRECTORS

(i) Composition of Board of Directors as at 31st March, 2004

The Board of Directors consists of a Whole-time Director and four Non-Executive Directors. Two Non- Executive Directors are also Independent Directors.

The composition of the Board of Directors is as follows :

Name	Designation	Category	No. of Directorships in other Companies	No. of Committee Memberships held in other Companies	No. of Committee Chairmanship held in other Companies
Mr. Navin Agarwal	Director	Non-Executive	13	5	Nil
Mr. Pravin Agarwal	Director	Non-Executive	2	Nil	Nil
Mr. Arun Tadarwal	Director	Non-Executive & Independent	Nil	Nil	Nil
Mr. Haigreave Khaitan	Director	Non-Executive & Independent	19	8	Nil
Dr. Anand Agarwal	Whole-time Director	Executive	3	Nil	Nil

(ii) Changes in the Composition of Directors during the year

During the year, Mr. Anil Agarwal, Mr. Sandeep Junnarkar and Mr. Gautam Doshi resigned from the Board effective 30th July, 2003. Mr. Navin Agarwal ceased to be a Whole-time Director effective 30th July, 2003 and was appointed as an Additional Director effective the same date. Dr. Anand Agarwal was appointed as an Additional Director and Whole-time Director effective 30th July, 2003. Mr. Pravin Agarwal joined the Board as an Additional Director effective 29th January, 2004.

MEETINGS HELD IN FINANCIAL YEAR 2003-04

The Board of Directors meets at least once in a quarter to review the Company's performance and financial results and more often, if considered necessary, to transact any other business. During FY2004, 6 Board meetings were held on 30th April, 2003, 30th July, 2003, 31st July, 2003, 9th October, 2003, 30th October, 2003 and 29th January, 2004.

The previous Annual General Meeting of the Company was held on 19th September, 2003. Following are the details of attendance of Directors at the Board and General Meetings held during FY2004.

Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. Anil Agarwal*	Nil	No
Mr. Sandeep H. Junnarkar*	2	No
Mr. Gautam Doshi*	2	No
Mr. Navin Agarwal	6	Yes
Mr. Arun Tadarwal	6	Yes
Mr. Haigreave Khaitan**	4	No
Dr. Anand Agarwal**	Nil	Yes
Mr. Pravin Agarwal***	Nil	No

* Resigned w.e.f. 30th July, 2003.

** Appointed w.e.f. 30th July, 2003.

*** Appointed w.e.f. 29th January, 2004.

COMMITTEE OF DIRECTORS

i) Audit Committee

The Company had constituted an Audit Committee in accordance with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement entered with the Stock Exchanges. The terms of reference of the Audit Committee are in conformity with those mentioned in Clause 49 of the listing agreement and Section 292A of the Companies Act, 1956. The Committee reviews the various reports placed before it by the internal auditors of the Company. The committee meets the statutory auditors periodically to review the auditors' reports on the financial

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statements and discuss their findings and suggestions. The details of the Audit Committee meetings and attendance of its members are given below :

The Audit Committee met four times during FY2004 viz., 30th April, 2003, 30th July 2003, 30th October, 2003 and 29th January, 2004.

The Composition of the Audit Committee is as follows:

Name	Category	Number of Meetings attended
Mr. Gautam Doshi *	Non-Executive & Independent	2
Mr. Anil Agarwal**	Non-Executive	Nil
Mr. Arun Todarwal, Chairman***	Non-Executive & Independent	4
Mr. Haigreave Khaitan****	Non-Executive & Independent	2
Mr. Navin Agarwal****	Non-Executive	2

* Ceased to be the Chairman and Member of the Audit Committee on resigning from the Board w.e.f. 30th July, 2003.

** Ceased to be a Member of the Audit Committee on resigning from the Board w.e.f. 30th July, 2003.

*** Appointed as Chairman of the Audit Committee w.e.f. 30th July, 2003.

**** Appointed as Member of the Audit Committee w.e.f. 30th July, 2003.

ii) Remuneration Committee

The Remuneration Committee which was constituted on 25th January, 2003 comprising Mr. Gautam Doshi as Chairman and Mr. Sandeep H. Junnarkar and Mr. Arun Todarwal as Members met once on 30th July, 2003 before being dissolved on that date on account of the changes in the Composition of the Board. All the Members of the Committee were present for the Meeting.

However, on 28th June, 2004 the Remuneration Committee was re-constituted comprising Mr. Arun Todarwal as Chairman and Mr. Haigreave Khaitan and Mr. Navin Agarwal as Members. This re-constituted Committee also met once on 28th June, 2004, at which Mr. Arun Todarwal and Mr. Navin Agarwal the members of the Committee were present.

The Remuneration Committee reviews the remuneration package of the Executive Directors and recommends suitable revisions to the Board.

All the Non-Executive & Independent Directors on the Board (including those who resigned during the year) received Rs. 5,000 each as sitting fees for attending every Board Meeting.

Mr. Navin Agarwal vacated the office of Whole-time Director w.e.f. 30th July, 2003. Dr. Anand Agarwal was appointed Whole-time Director for a period of 3 years effective 30th July, 2003. The terms of appointment provide for termination notice of three months on either side. Dr. Anand Agarwal receives remuneration by way of salary, perquisites and commission not exceeding 1% of the net profits. However, in the absence of profit for the year, the Remuneration Committee has recommended and the Board has approved payment of salary and perquisites not exceeding Rs. 400,000 per month to Dr. Anand Agarwal as per the provisions of Schedule XIII of the Companies Act, 1956.

DETAILS OF REMUNERATION TO ALL DIRECTORS

The break up of remuneration paid to the Directors during financial year 2003-04 is as follows :

(i) Executive Director

Director	Designation	Salary (Rs.)	Contribution to Provident Fund (Rs.)	Perquisite (Rs.)	Total (Rs.)
Mr. Navin Agarwal*	Whole-time Director	70,62,774	8,47,533	1,51,157	80,61,464@
Dr. Anand Agarwal**	Whole-time Director	8,39,484	1,00,738	81,048	10,21,270

@ Includes Salary and Perquisites Rs. 5.58 million and contribution to Provident Fund Rs. 0.67 million for the previous year for which Central Government approval was received during the year.

* Resigned w.e.f. 30th July, 2003 and hence remuneration paid is for the period 1st April, 2003 to 30th July, 2003.

** Appointed w.e.f. 30th July, 2003 and hence remuneration paid is for the period 30th July, 2003 to 31st March, 2004.

(ii) Non-Executive Directors

Remuneration paid to Non-Executive Directors for the period (including sitting fees paid for attending Committee meetings).



Directors	Amount (Rs.)
Mr. Anil Agarwal*	Nil
Mr. Navin Agarwal**	Nil
Mr. Sandeep H. Junnarkar*	10,000
Mr. Gautam Doshi *	15,000
Mr. Arun Tadarwal	45,000
Mr. Haigreve Khaitan**	30,000
Mr. Pravin Agarwal***	Nil

* For the period 1st April, 2003 to 30th July, 2003.

** For the period 30th July, 2003 to 31st March, 2004.

*** For the period 29th January, 2004 to 31st March, 2004.

The remuneration paid to the Directors is within the ceiling prescribed under the applicable provisions of the Companies Act, 1956.

(iii) Shareholders'/Investors' Grievance Committee

The Company has constituted a Shareholders'/Investors' Grievance Committee in accordance with the requirements of Clause 49 of the Listing Agreements. The Committee has been given powers to attend to investors' complaints pertaining to transfers / transmission of shares, non-receipt of dividend/interest warrants and any other related matter.

The Company Secretary, Mr. Lalit Kasliwal is the compliance officer.

The Shareholders'/Investors' Grievance Committee met three times during FY2004 on 30th April, 2003, 30th October, 2003 and 29th January, 2004.

The details of Investors' Grievance Committee meetings and attendance of Directors are given below:

Name	Category	Number of Meetings attended during the period
Mr. Sandeep H Junnarkar*	Non-Executive & Independent	1
Mr. Navin Agarwal, Chairman**	Non Executive	3
Mr. Arun Tadarwal***	Non-Executive & Independent	2

* Ceased to be the Chairman and Member of the Committee on resigning from the Board w.e.f. 30th July, 2003.

** Appointed Chairman of the Committee w.e.f. 9th October, 2003.

*** Appointed as Member of the Committee w.e.f. 9th October, 2003

Status of Complaints for the Financial Year 1st April, 2003 to 31st March, 2004

1	Number of complaints received from the investors comprising of Non-receipt of Dividend/Interest Warrants, Non-receipt of securities sent for transfer and transmission, complaints received from SEBI etc.	422
2	Number of complaints resolved.	422
3	Number of complaints not solved to the satisfaction of the investors as at 31st March, 2004.	Nil
4	Complaints Pending as at 31st March, 2004.	Nil

(iv) Share Transfer

Two Directors and four Executives of the Company have been given powers to deal with all matters related to transfers, transmission, issuance of duplicate share/debenture certificates, split and/or consolidation requests. In addition, the Company Secretary and authorised officials of the Registrar and Transfer Agents of the Company have been given powers to endorse registration of transfers on share certificates.

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ANNUAL GENERAL BODY MEETINGS

Details of Annual General Meetings of Shareholders			
Date	Location	Time	Special Resolutions passed
29.09.2001	B-10/4, Waluj MIDC Industrial Area, Waluj, District Aurangabad 431 136.	2.30 p.m.	<ul style="list-style-type: none"> Amendment of the Articles of Association of the Company to include provisions relating to holding of shares in dematerialised form, buy-back of fully paid shares and issue of shares with non-voting rights. Buy-back of fully paid Equity Shares of the face value of Rs. 5/- each of the Company for an aggregate amount not exceeding Rs. 80 crores and upto a maximum price not exceeding Rs. 250/- per equity share.
28.09.2002	B-10/4, Waluj MIDC Industrial Area, Waluj, District Aurangabad 431 136.	2.30 p.m.	No Special Resolutions were passed
19.09.2003	B-10/4, Waluj MIDC Industrial Area, Waluj, District Aurangabad 431 136.	12.30 p.m.	<ul style="list-style-type: none"> Approval by way of ratification to the payment of remuneration to Mr. Navin Agarwal, Whole-time Director for the period 1st April, 2002 to 31st March, 2003. Approval for payment of remuneration to Mr. Navin Agarwal, Whole-time Director (1) for the period commencing from 1st April, 2002 upto 31st March, 2003; and (2) for the period commencing from 1st April, 2003 upto 30th July, 2003. Delisting of the Equity Shares of the Company from the regional Stock Exchanges at Delhi, Ahmedabad and Kolkata.

DISCLOSURES

- i) Disclosures on materially significant related party transactions.
There were no transactions of material nature with the promoters, the Directors or the management or their subsidiaries or relatives during the period, which would have potential conflict with the interest of the Company at large.
- ii) Details of Non-Compliance by the Company, Penalties and Strictures imposed on the Company by Stock Exchange, SEBI or any Statutory Authorities or any matter related to Capital Market.
During the process of Open Offer for acquisition of 20% of Hindustan Zinc Limited's (HZL) equity shares from the public shareholders, there was a delay in receipt of the approval from the RBI and consequently, delay in payment of the offer consideration to nine non-resident shareholders.
SEBI had passed an Order dated 12th June, 2003 under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 ("Takeover Code") on Sterlite Opportunities and Ventures Limited (SOVL) (as acquirer), Sterlite Industries India Ltd. (SIIL) and the Company (as persons acting in concert) directing payment of interest @10% per annum, for alleged delay in payment of consideration amount to NRIs/FIIs/OCBs shareholders due to delay in receipt of the approval of the Reserve Bank of India, under FEMA in connection with applications accepted in the open offer for HZL.
SOVL, SIIL and the Company have preferred an appeal against the SEBI order before the Securities Appellate Tribunal (SAT). SAT has passed an interim order staying the impugned order of SEBI and such interim order has been extended till the disposal of the said appeal.