



Sterlite Industries (India) Limited

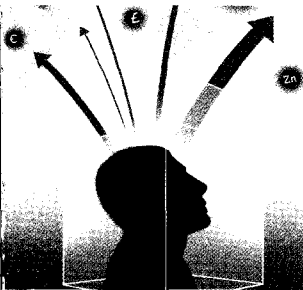


Well positioned through the cycle

Report Junction

Annual Report 2008-09

## Our values



### Entrepreneurship

We foster an entrepreneurial spirit throughout our businesses and value the ability to foresee business opportunities early in the cycle and act on them swiftly. Whether it be developing organic growth projects, making strategic acquisitions or creating entrepreneurs from within, we ensure an entrepreneurial spirit at the heart of our workplace.



### Growth

We continue to deliver growth and generate significant value for our shareholders. Moreover, our organic growth pipeline is strong as we seek to continue to deliver significant growth for shareholders in the future. We have pursued growth across all our businesses and into new areas, always on the basis that value must be delivered.



Achieving excellence in all that we do is our way of life. We strive to consistently deliver projects ahead of time at industry-leading costs of construction and within budget. We are constantly focused on achieving a top decile cost of production in each of our businesses. To achieve this, we follow a culture of best practice benchmarking.



### Trust

The trust that our stakeholders place in us is key to our success. We recognise that we must responsibly deliver on the promises we make to earn that trust. We constantly strive to meet stakeholder expectations of us and deliver ahead of expectations.



### Sustainability

We practice sustainability within the framework of well defined governance structures and policies and with the demonstrated commitment of our management and employees. We aim not only to minimise damage to the environment from our projects but to make a net positive impact on the environment wherever we work.



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## Our vision

To create a world class, diversified resources company with high quality assets, low cost production, providing superior returns to our shareholders.



# Corporate Information

**Board of Directors**

**Mr. Anil Agarwal**  
Chairman

**Mr. Navin Agarwal**  
Executive Vice-Chairman

**Mr. Gautam Doshi**  
**Mr. Berjis Desai**  
**Mr. Sandeep Junnarkar**

**Mr. D.D.Jalan**  
Whole-time Director

**Company Secretary**  
**Mr. Narendra Mehra**

**Auditors**  
**M/s. Chaturvedi & Shah**  
**M/s. Deloitte Haskins & Sells**

**Registered Office**  
**Sterlite Industries (India) Limited**  
SIPCOT Industrial Complex,  
Madurai Bye Pass Road,  
TV Puram P.O.,  
Tuticorin - 628 002,  
Tamil Nadu,  
India

**Corporate Office**  
**Vedanta**  
75 Nehru Road,  
Vile Parle (E),  
Mumbai - 400 099.

**Transfer Agents**

**Karvy Computershare Private Limited**  
Plot No 17 - 24, Vittal Rao Nagar,  
Cyberabad, Madhapur,  
Hyderabad - 500 081

Phone: 040 23420815 - 824,  
Fax: 040 23420814  
E-mail: [mailmanager@karvy.com](mailto:mailmanager@karvy.com),  
[einward.ris@karvy.com](mailto:einward.ris@karvy.com)

**Bankers**

ABN Amro Bank N.V.  
Australia & New Zealand Banking Group Ltd.  
Bank of India  
Calyon Bank  
CITI Bank  
DBS Bank Ltd.  
Deutsche Bank AG  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
IDBI Bank Ltd.  
JP Morgan Chase Bank  
Standard Chartered Bank  
State Bank of India  
Syndicate Bank  
The Hongkong and Shanghai -  
Banking Corporation Ltd.

# Highlights

## Financials

- Rs. 21,144 crore Consolidated turnover for 2008-09
- Rs. 6,858 crore EBITDA for 2008-09
- Rs. 4,961 crore PAT for 2008-09
- Rs. 49.96 Consolidated EPS for 2008-09
- **Strong Balance Sheet** with Shareholders' fund base of Rs. 25,613 crore & Cash and Liquid investment of Rs. 19,287 crore.

## Copper

- 312,833 MT Cathode Production
- 198,455 MT Highest ever Domestic Sales

## Zinc-Lead

- Highest ever annual saleable metal production of 551,724 tonnes of Zinc, 60,323 tonnes of Lead and 105 tonnes of Silver
- Stable operating costs despite sector-wide price pressures
- Projects on course to become an integrated producer of 1 million tonnes of Zinc-Lead metal
- Hindustan Zinc ranked amongst the top 25 companies declared as Hewitt Best Employer in Asia – 2009; Hindustan Zinc was also ranked #2 Best Employer in India – 2009

## Aluminium

- 356,781 MT Aluminium production
- 356,513 MT Aluminium sales
- Construction work on the 325,000 MT Aluminium smelter and 1,200 MW Captive Power plant commenced

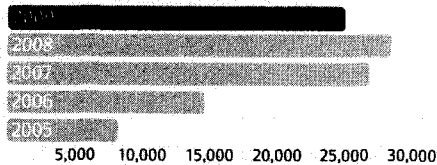
## Commercial Energy

- Work on 2,400 MW (4\*600 MW) Coal based Power Plant at Jharsuguda is progressing well for progressive commissioning from late 2009

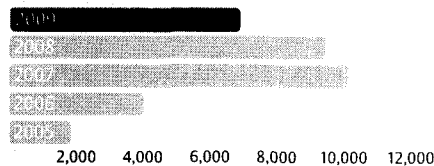


## Consolidated performance

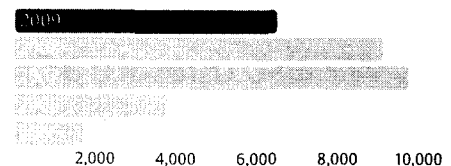
### Sales and Services Rs crores



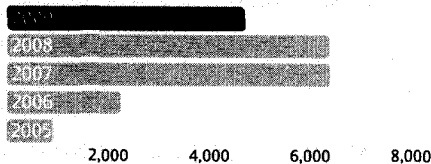
### Gross Profit (EBITDA) Rs crores



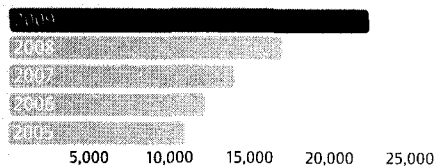
### Cash Profit (PBDT) Rs crores



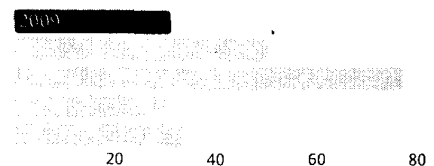
### Net Profit (PAT) Rs crores



### Gross Fixed Assets Rs crores



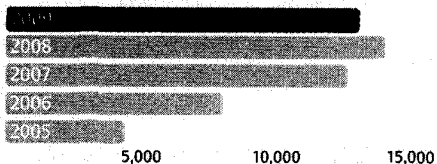
### Return on Capital Employed (ROCE) %



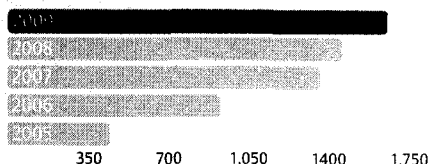
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## Standalone performance

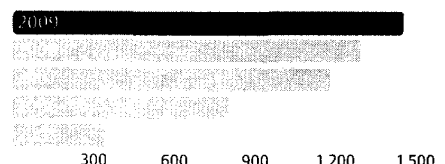
### Sales and Services Rs crores



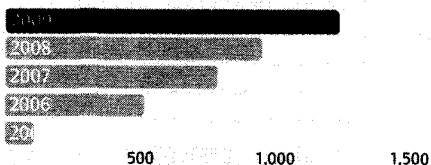
### Gross Profit (EBITDA) Rs crores



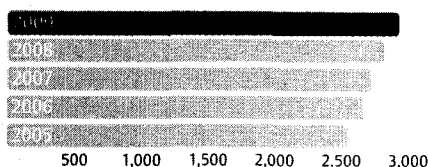
### Cash Profit (PBDT) Rs crores



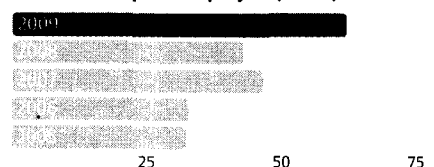
### Net Profit (PAT) Rs crores



### Gross Fixed Assets Rs crores



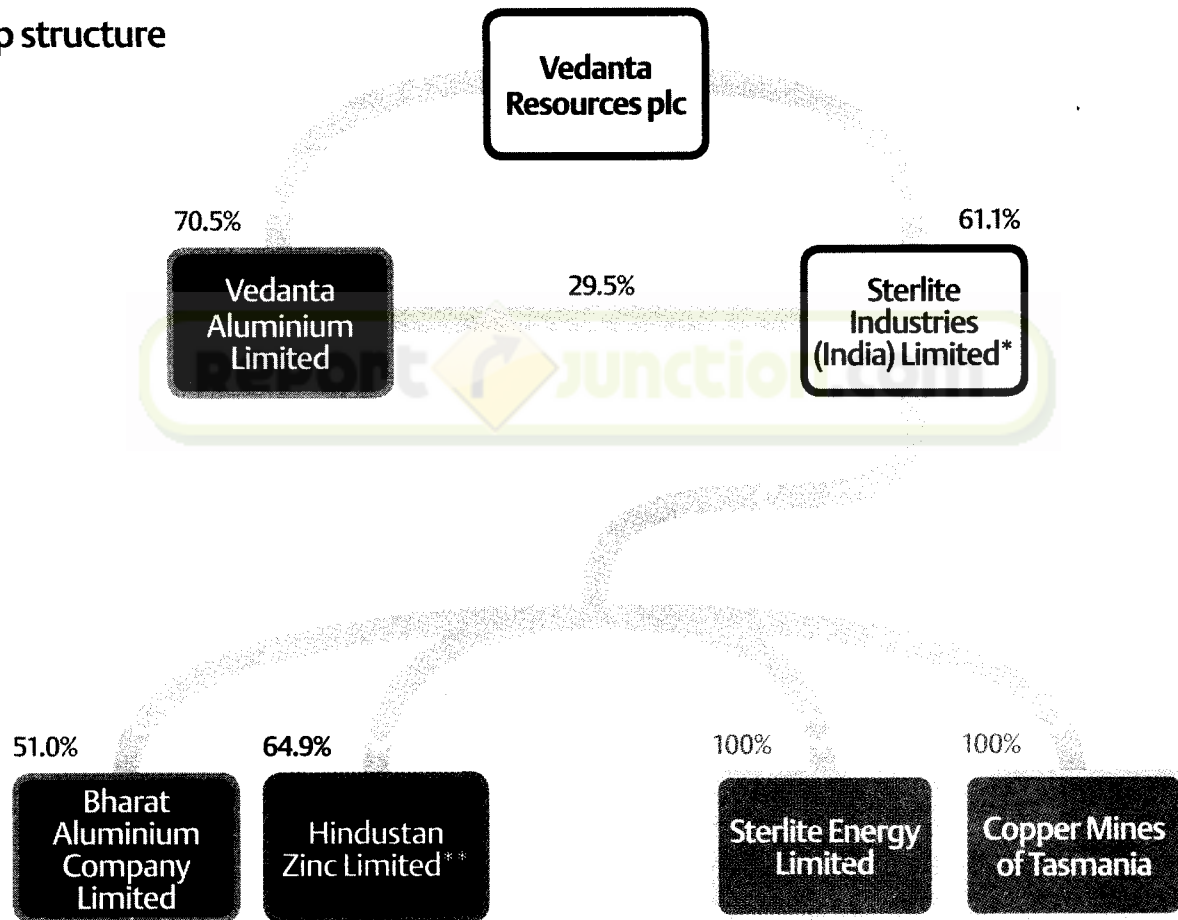
### Return on Capital Employed (ROCE) %



# Sterlite at a glance

Our principal operations are located in India, where we have a substantial market share in each of our main metals: aluminium, copper, zinc and lead. We also operate a Copper mine in Australia.

## Group structure

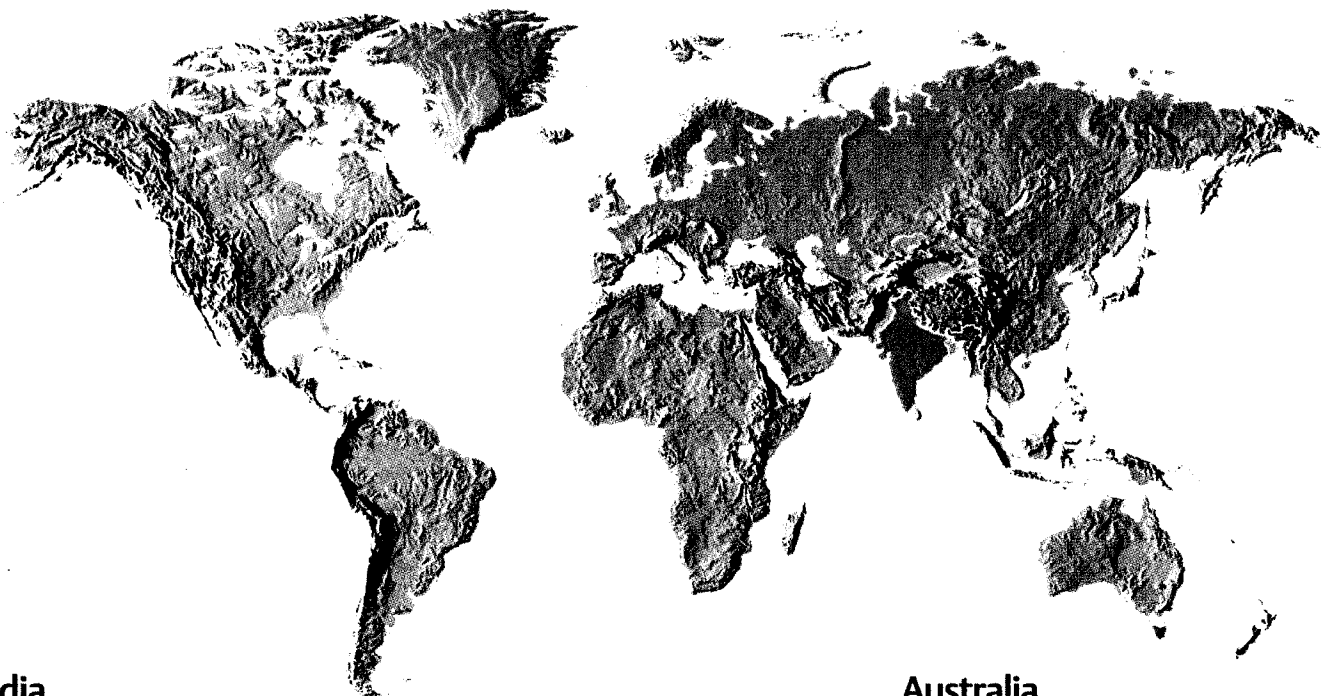


Note: Percentage shareholding as of 31 March 2009.

\* Listed on the Bombay Stock Exchange, National Stock Exchange of India and New York Stock Exchange.

\*\* Listed on the Bombay Stock Exchange and National Stock Exchange of India.





## India



## Australia



- Aluminium
- Copper
- Zinc
- Power
- Projects under development
- ⚡ Captive power plant

- 01 Debari smelter
- 02 Chanderiya smelters
- 03 Rampura-Agucha mine
- 04 Rajpura Dariba and Zawar mine
- 05 Sindesar Khurd mine
- 06 Silvassa refinery
- 07 Tuticorin smelter and refinery
- 08 Vizag smelter
- 09 Lanjigarh mine and refinery (VAL)
- 10 Jharsuguda Aluminium (VAL) and Commercial Power project
- 11 Korba smelter
- 12 Mt. Lyell mine

The maps are not to scale.

# Chairman's Statement



**“We are exceptionally well positioned in these uncertain times due to our strong balance sheet, low cost operations, strong organic growth pipeline and track record of delivering capital projects at benchmark low costs and timelines.”**

I have great pleasure in reporting another strong year for Sterlite and second as a NYSE listed company. We reported consolidated revenues of Rs. 21,144 crore, EBITDA of Rs. 6,858 crore and Profit after tax of Rs. 4,961 crore, despite a sharp deterioration in the commodity prices and the economic environment.

I am delighted to report that we are exceptionally well positioned in these uncertain times due to our strong balance sheet, low cost operations, strong organic growth pipeline and track record of delivering capital projects at benchmark low costs and timelines. This provides the foundation for delivering profitable growth and creating long term shareholder value.

## **Delivering operational efficiencies and growth opportunities**

We remained focused on achieving productivity enhancements and operating efficiencies to ensure we retain our competitive advantage as one of the lowest cost producers of our commodities.

The commissioning of new Zinc smelter at Chanderiya and de-bottle-necking projects, with better recoveries delivered higher output at our Zinc business with low operating cost, a result of increased volumes, operational efficiencies and better sulphuric acid realisations. We made excellent progress towards delivering industry leading organic growth by successfully commissioned the zinc concentrator at Rampura Agucha during the year. In pursuit of our strategy to achieve sustainable growth we have successfully added significant reserves at our Zinc business.

## **Well positioned through the cycle**

The inherent strength of our sustainable low cost operations ensures we are well positioned in a period of difficult economic conditions and commodity prices. We