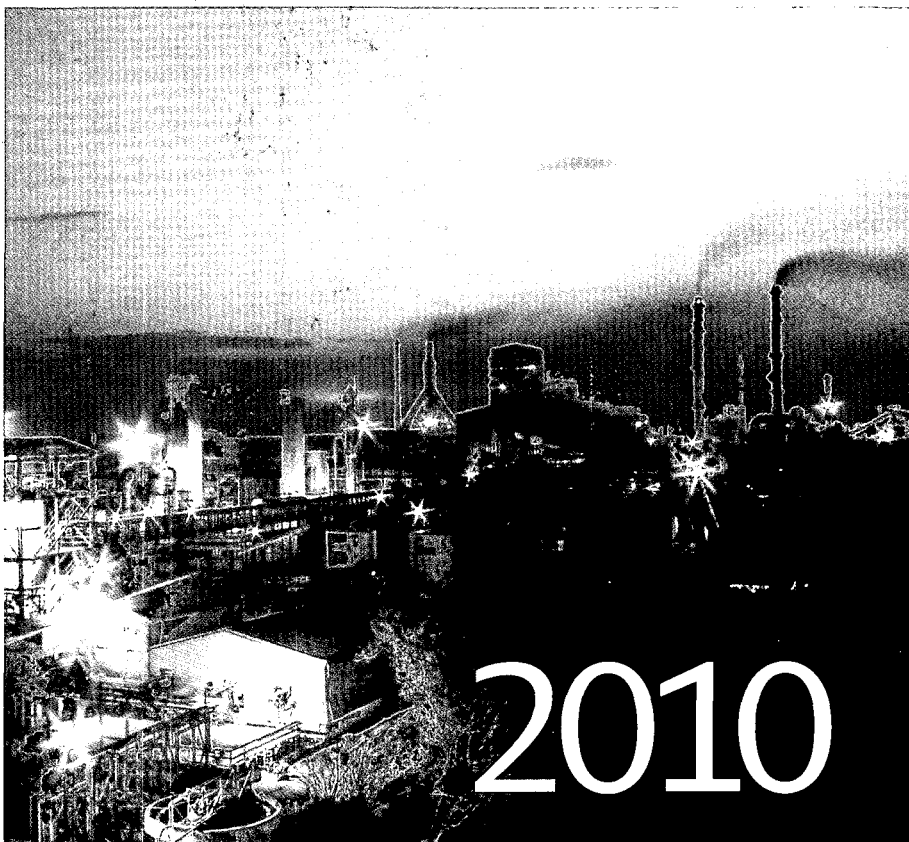
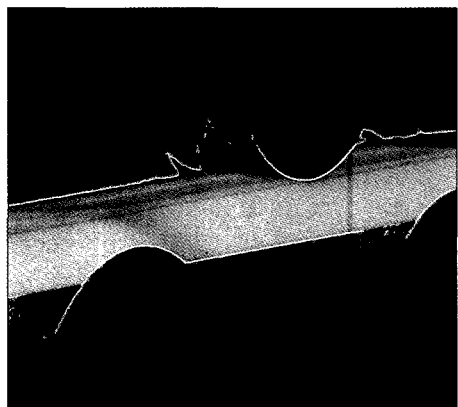




Sterlite Industries (India) Limited



FOCUSED ON
DELIVERY
LONG TERM VALUE
PEOPLE
A SUSTAINABLE FUTURE



Introduction

We are India's largest non-ferrous metals and mining company and are one of the fastest growing private sector companies. Our primary businesses are Aluminium, Copper, Zinc & Lead and Commercial Energy.

Our Vision

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

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.

Excellence



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.



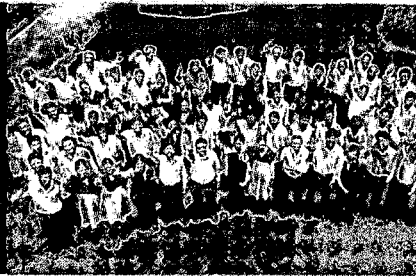
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Financial Statements



Highlights

Consolidated Financials

- ▶ **Rs. 24,410 Crore** Consolidated turnover for 2009-10 – up by 15.4%
- ▶ **Rs. 8,031 Crore** PBIDT for 2009-10 – up by 171%
- ▶ **Rs. 5,409 Crore** Net Profit for 2009-10
- ▶ **Rs. 37,012 Crore** Shareholders' fund base
- ▶ **Rs. 21,313 Crore** Cash and Liquid investment
- ▶ **Rs. 46.79** Consolidated EPS for 2009-10 on enlarged equity base
- ▶ Dividend of **Rs. 3.75** per equity share of Rs. 2/- each for 2009-10

Copper

- ▶ Cathode production – **334,174 tonnes**
- ▶ Highest ever Domestic Sales – **206,150 tonnes**
- ▶ Announced expansion programme of doubling of copper customs smelting capacity to **800 ktpa** with associated **160 MW** captive power plant

Zinc-Lead

- ▶ Achieved **1 mtpa** capacity in Zinc-Lead
- ▶ Record Annual Zinc and Lead mined metal production at **768,620 tonnes**
- ▶ Record Annual Zinc and Lead refined metal production at **650,038 tonnes**
- ▶ Silver production at **176,381 kilograms**

- ▶ **210 ktpa** zinc smelter at Dariba and **1 mtpa** concentrator at Rampura Agucha successfully commissioned, ahead of schedule
- ▶ Successful exploration results during the year – added **34 mt** at Zinc

Aluminium

- ▶ Highest ever production of hot metal from BALCO plant II smelter – **254,745 tonnes**
- ▶ **268,425 tonnes** Aluminium production
- ▶ **267,802 tonnes** Aluminium sales
- ▶ Highest ever production of Rods – **148,239 tonnes**
- ▶ Construction work on the **325 ktpa** Aluminium smelter and **1,200 MW** Captive Power plant at BALCO progressing well

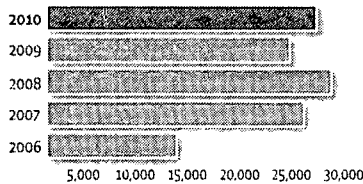
Commercial Energy

- ▶ The construction work of the **2,400 MW** Coal based Power Plant at Jharsuguda is progressing well
- ▶ Revived **1,980 MW** Merchant Power Plant at Talwandi in Punjab state
- ▶ Coal linkages secured for all power plants

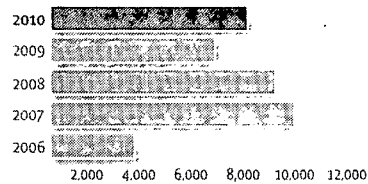


Consolidated Performance

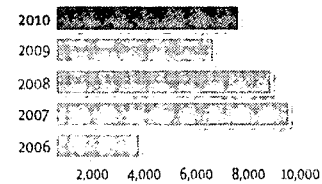
Sales and Services Rs Crores



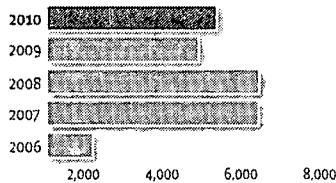
Gross Profit (PBITD) Rs Crores



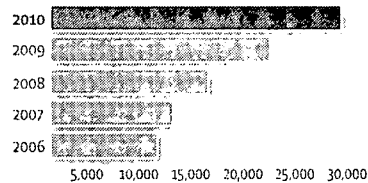
Cash Profit (PBDT) Rs Crores



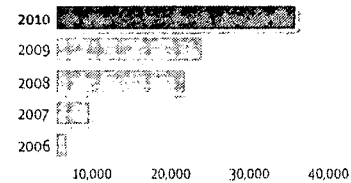
Net Profit (PAT) Rs Crores



Gross Fixed Assets Rs Crores

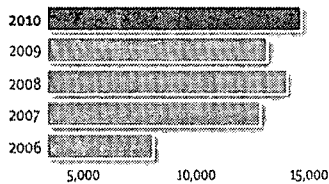


Net Worth Rs Crores

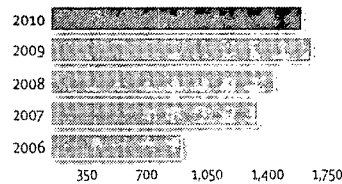


Standalone Performance

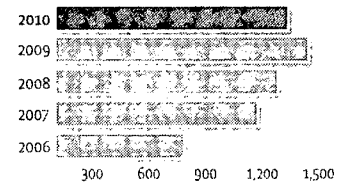
Sales and Services Rs Crores



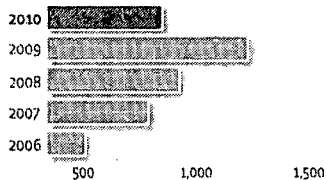
Gross Profit (PBITD) Rs Crores



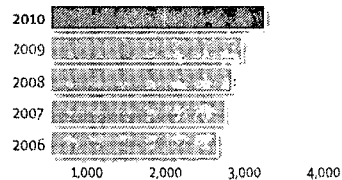
Cash Profit (PBDT) Rs Crores



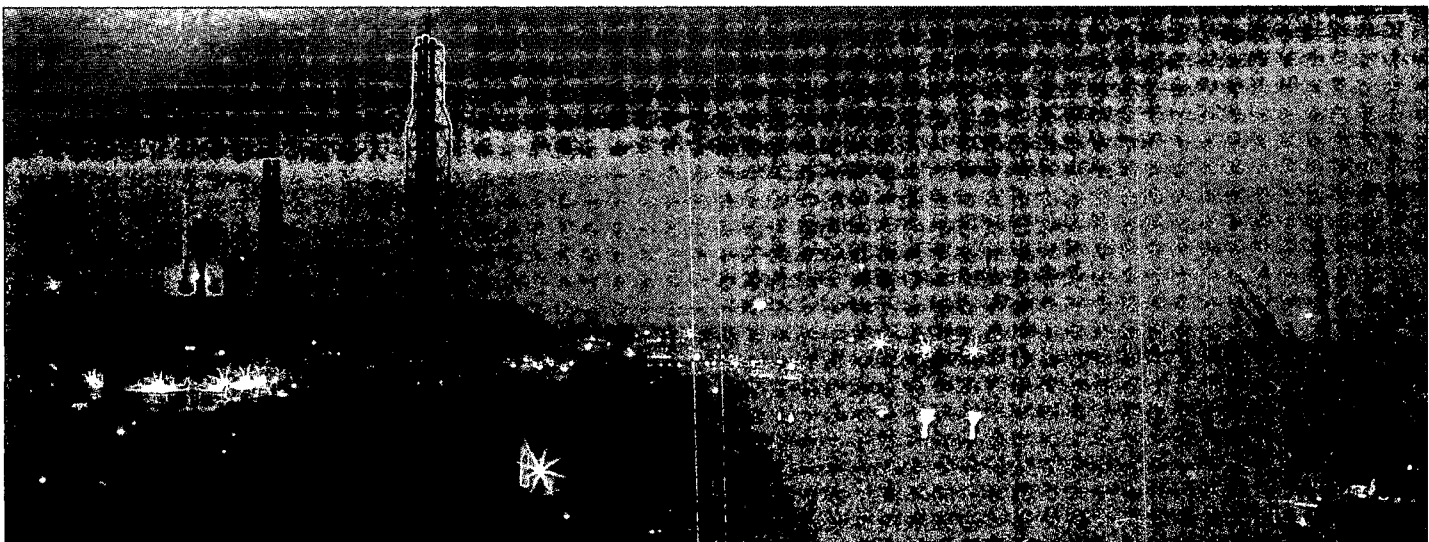
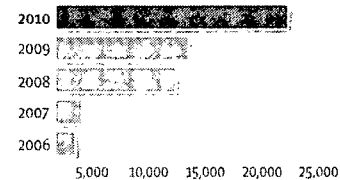
Net Profit (PAT) Rs Crores



Gross Fixed Assets Rs Crores



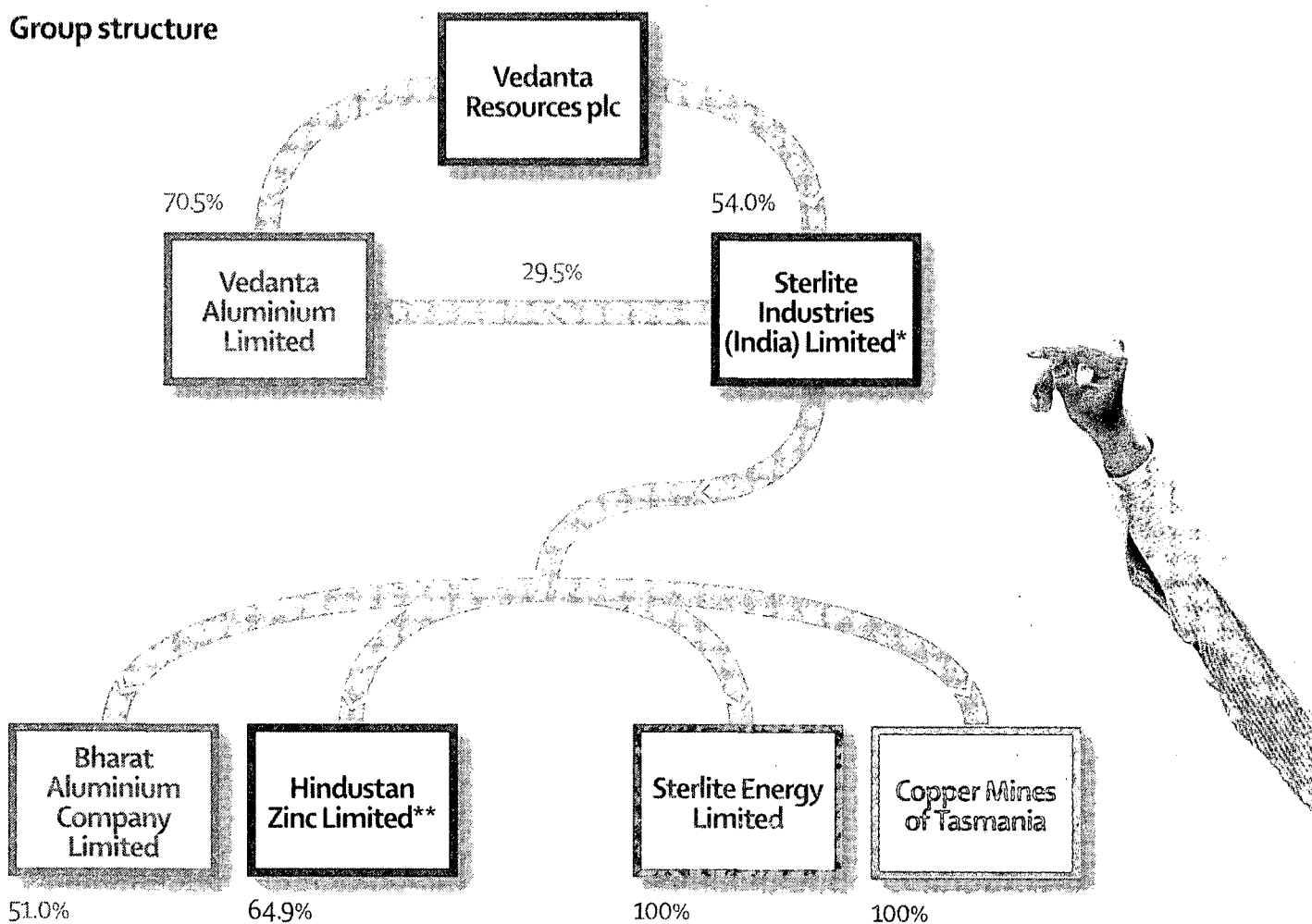
Net Worth Rs Crores



Sterlite at a Glance

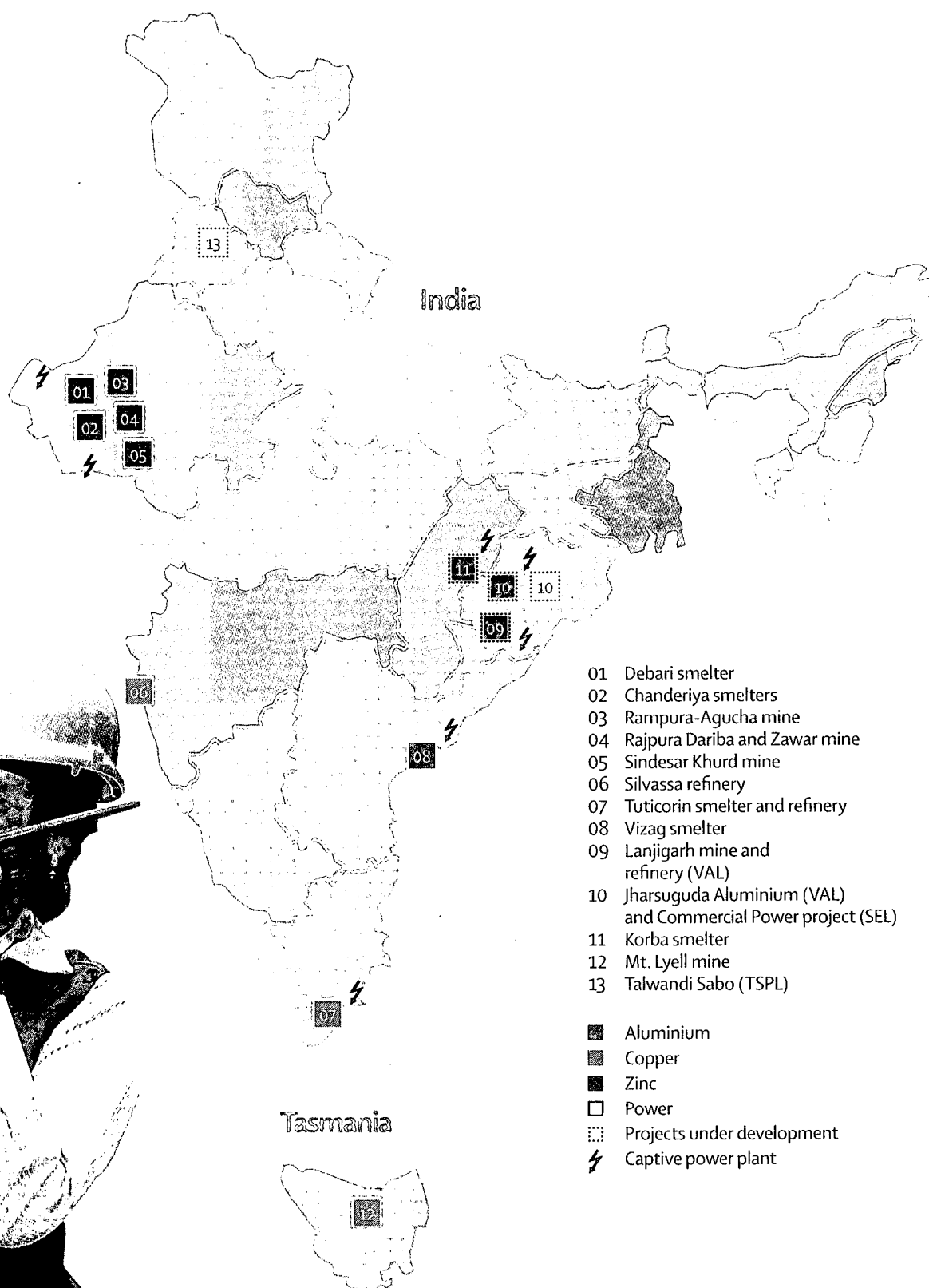
Our principal operations are located in India, where we have a substantial market share in each of our main metals: aluminium, copper, zinc and lead. We also operate a Copper mine in Australia.

Group structure



* 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.



Chairman's Statement



"Our excellent results fully endorse our decision to continue investing through the cycle in our industry leading organic growth programme. We have achieved significant milestones during the year and are on track to deliver a substantial increase in production capacity across our businesses in 2011. We remain confident about the future as we continue to deliver our projects and look for further opportunities to create value."

I am delighted to report another excellent set of results in a challenging year for our industry and the global economy. The 2010 financial year began with developed markets in recession and commodity prices and industrial demand at multi-year lows. Emerging markets – especially India and China – proved more resilient to the economic downturn, with continued economic and metals consumption growth. The large and coordinated stimulus from governments globally has secured greater stability in financial markets and a return to economic growth. Commodity prices and industrial demand have recovered and we enter the 2011 financial year with much greater optimism to when we entered 2010.

Our structurally low cost position across commodities, excellent liquidity and strong cash flow has positioned us well to deliver in these unprecedented markets. This has enabled us to continue to grow production and invest in our industry-leading growth programme.

Financial performance

We delivered strong results in 2010, which once again benefited from our low cost position, diversified revenues and record production growth across all our businesses. Consolidated revenues rose by 15.4% to Rs. 24,410 Crore and PBIDT rose by 17.1% to Rs. 8,031 Crore during the year. The attributable profit for the year increased by 6% to Rs. 3,744 Crore with an EPS of Rs. 46.79. The net cash flow generated from operating activities amounted to Rs. 4,182 Crore during the year.

Our balance sheet and liquidity remains strong. The Company has a strong Cash and Liquid investment of Rs. 21,313 Crore as at 31 March 2010. We remain committed to retaining investment grade credit metrics.

Organic growth and operational performance

FY 2010 was an outstanding year. Production grew across all commodities, costs were kept under control, and we made excellent progress with our organic growth programme. In Q4 Hindustan Zinc commissioned the 1 mtpa Zinc-Lead concentrator and 210 ktpa Zinc smelter, becoming the largest integrated producer of Zinc in the world with capacity of 1.064 mtpa.

We also announced the doubling of our copper custom smelting capacity at Tuticorin to 800 ktpa with associated 160MW power plant which will further reduce our costs and put us amongst the lowest quartile cost custom smelters in the world. We revived the 1,980 MW thermal power plant project at Talwandi Sabo in the state of Punjab to take advantage of the exciting opportunities offered by the power sector in India.

The tragic collapse of a power plant chimney that was under construction at BALCO through our subcontractor SEPCO was an unfortunate incident and investigations have revealed this was caused by severe thunderstorms and lightning. We have taken immediate steps to compensate and support the affected families, and strengthened monitoring and systems at our project sites to ensure this does not happen in the future.

Dividend, bonus and split

The Board has recommended a dividend of Rs. 3.75 per equity share of Rs. 2/- each for the financial year 2009-10. The dividend will be paid to those shareholders whose names appear on the register of members of the Company as on 21 May 2010, on approval at the ensuing Annual General Meeting.

The Board has approved sub-division of the Equity Shares from Rs. 2/- each to Re. 1/- each and also a bonus issue in the ratio of 1:1 equity shares. The sub-division of equity shares has been done with a view to broaden the investor base by encouraging the participation of the retail investors and also with a view to increase the liquidity of the equity shares. The Board keeping in view the comfortable reserves position, future expansion, profitability and its constant endeavour to reward its Shareholders has recommended a bonus issue of 1:1, i.e. one share of the sub-divided equity shares of Re. 1/- each for one share held. The sub-division and bonus issue will be subject to approval of the Shareholders in the ensuing Annual General Meeting.

Fundraising activity

During the year the Company made an American Depository Shares (ADS) issue of US\$ 1.6 billion and also raised US\$ 500 million through Convertible Senior Notes with international investors, to augment the long term resources. The investor community at large has continued to repose faith in the Company, which was very satisfying.

Sustainability

Sterlite has a long standing commitment to sustainable development, and we believe that business today has greater responsibility than ever before to enhance society's overall well being. We continue to proactively foresee social and environmental factors that will be influencing our businesses in the long term and prepare for those changes now, so that we can emerge as a more effective and stronger company. We have a track record of exceeding our own performance year on year in energy and water usage, recycling and reuse of waste innovatively and engaging and working with communities towards building a sustainable business.

Ensuring the safety of all our employees is a key priority for us, and the Board remains focused on improving the performance in this crucial area. We have also remained focused on actively engaging with our key stakeholders, enhancing our reporting and increasing transparency. As we expand our footprint globally, we will continue to build on our strong legacy in the sustainability space.

Outlook

The recovery in demand and commodity prices appears well-founded and the medium and long-term outlook for our commodities remains strong. We are well placed to benefit from a sustained recovery given our structurally low cost position, presence in growing economies and the organic growth programme. Our priorities are focussed on delivering a significant increase in capacity across our businesses and strengthening our low cost position. We are both optimistic and well placed for the future.

Finally on behalf of the board I would like to thank our employees who have contributed to the excellent performance during the year. Our unrivalled growth and delivery at benchmark standards will help us maintain sustainable growth and maximise shareholder value.

Anil Agarwal
Chairman



Company overview

With consolidated revenues of Rs. 24,410 Crore Sterlite is one of India's largest non-ferrous metals and mining company.

Our business is principally located in India, one of the fastest growing large economies in the world with a 6.7% increase in real gross domestic product ("GDP") from fiscal 2008 to fiscal 2009, according to the Central Statistical Organisation of the Government of India's Ministry of Statistics and Programme Implementation. In addition, we have mining operations in Australia and a precious metal refinery at Fujairah in the UAE. We are primarily engaged in copper, zinc, and aluminium and have advanced the development of the commercial power generation business.

We have experienced significant growth in recent years through various expansion projects for our copper, zinc, aluminium and energy businesses. We believe our experience in operating and expanding our businesses in India will allow us to capitalise on attractive growth opportunities arising from India's large mineral reserves, relatively low cost of operations and large and inexpensive labour and talent pools. We believe we are also well positioned to take advantage of the significant growth in industrial production and investments in infrastructure in India, China, Southeast Asia and the Middle East, which we expect will continue to create strong demand for metals.

Our Goal

To create a globally respected, world-class metals and mining company that generates consistently strong financial returns for its shareholders.

Copper

Sterlite is one of the leading copper producer in India. The copper business comprises smelting and processing of copper and production of its by-products. Our operations include a smelter, refinery, phosphoric acid plant, sulphuric acid plant, dore plant and copper rod plant at Tuticorin in the state of Tamil Nadu in southern India; and a refinery and two copper rod plants at Silvassa in the Union territory of Dadra and Nagar Haveli in western India, as well as a precious metal refinery at Fujairah in the UAE.

In addition, we own the Mt. Lyell copper mine at Tasmania in Australia, which provides around 7% of our copper concentrate requirements at Sterlite. In 2009-10, we produced 334,174 tonnes of copper cathode.

Sterlite has announced an expansion programme of doubling of copper customs smelting capacity to 800 ktpa with associated 160 MW captive power plant. The detailed engineering and procurement activities are underway for scheduled commissioning by mid 2011.

Zinc and Lead

Our majority-owned subsidiary, Hindustan Zinc Limited (HZL) is India's only fully integrated zinc producer with a 74% market share by production volume of the Indian zinc market.

HZL's products include refined Zinc metal, refined Lead metal, Silver, Cadmium and Sulphuric Acid. HZL is on course to become the world's largest integrated Zinc-Lead producer and are the largest primary Silver producer in India. It has mining and smelting operations across multiple locations in India and its assets include Rampura Agucha - the largest Zinc mine in the world, Sindesar Khurd, Rajpura Dariba and Zawar in the State of Rajasthan. The smelters are situated at Chanderiya Smelting Complex which is the largest single location Zinc smelting complex in the world, and Zinc Smelter Debari in the State of Rajasthan; and Zinc Smelter Vizag in the State of Andhra Pradesh. As a part of recent project expansions, HZL has accomplished successful commissioning of Hydro Zinc smelter in Dariba Smelting Complex, in March 2010. HZL has a zinc ingot melting and casting plant at Haridwar in North India.

Sterlite has a 64.9% ownership interest in HZL, with the remainder owned by the Government of India (29.5%) and institutional and public shareholders (5.6%). The Company has exercised the second call option, but the Government has responded by stating that it does not believe that exercising the option under company law is valid. The company has therefore started the arbitration process.

Ongoing exploration activities at Hindustan Zinc have yielded significant success with the gross addition of 33.7 million tonnes (mt) to reserves and resources prior to a depletion of 7.1 million tonnes in FY 2010. Contained zinc-lead metal has increased by 3.4 million tonnes, prior to a depletion of 0.77 million tonnes during the same period. Total reserves and resources at 31 March 2010 were 298.6 million tonnes containing 34.1 million tonnes of zinc-lead metal and 832.7 million ounces of silver.

During FY 2010, the Company recorded its highest ever mined and refined metal production of 768,620 tonnes and 650,038 tonnes respectively of Zinc & Lead, up 4.5% and 5.3% respectively, compared to FY 2009. The Company also recorded its ever highest Silver production at 176,381 kilograms (including captive usage of 37,831 kg), an increase of 33.9%, compared to the previous year.

Aluminium

Located in Korba in the state of Chhattisgarh in central India, our majority owned subsidiary, Bharat Aluminium Company Limited (BALCO), is one of the four primary producers of aluminium in India. Sterlite owns 51 % of the share capital of BALCO. The Company has exercised its option to acquire the Government of India's remaining 49% ownership interest, although the exercise is currently disputed and in arbitration.

BALCO's partially integrated operations include two bauxite mines, captive power plants and refining, smelting and fabrication facilities at our Korba facility in Central India. During the year, the production of saleable metal was 268,425 tonnes as compared to 356,781 tonnes in the previous year consequent to the phasing out of the 100 kt VSS Technology smelter (Plant I).

In order to enhance aluminium production capacity to 1.0 million tonnes, BALCO entered into a memorandum of understanding with the State Government of Chhattisgarh on August 8, 2007, for a potential investment to build an aluminium smelter with a capacity of 650,000 tpa at Chhattisgarh. BALCO has commenced the implementation process of the first phase of expansion for setting up a 325,000 tpa aluminium smelter which uses pre-baked technology from the Guiyang