



Creating Value



Sterlite Industries (India) Limited



vedanta

Sterlite Industries (India) Limited is India's largest diversified metals and mining company.

The Company a part of the Vedanta Group produces aluminium, copper, zinc, lead, silver, and commercial power. It has a portfolio of world class assets in India, Australia, Namibia, South Africa and Ireland. Sterlite is listed on the Bombay Stock Exchange and National Stock Exchange in India and the New York Stock Exchange in the United States.



Robust Performance

Driven by a robust operating and financial performance, we delivered a record EBITDA of ₹ 10,574 Crore and a record attributable PAT of ₹ 6,060 Crore, despite lower LME prices.



Strong Balance Sheet

Strong and consistent financial and operating performance over the years, led by a ramp-up in production and continued cost control across our diversified portfolio of assets, has enabled us to maintain a strong balance sheet.



Diversified Portfolio

Over the years, we have created a diversified company with a well-balanced portfolio. Sterlite has a portfolio of large, low-cost, long-life, scalable assets across copper, zinc, lead, silver, aluminium and power.



Delivering value to stakeholders

We are focused on delivering growth and long-term value for all our stakeholders. We have progressively increased our dividends and have delivered strong shareholder returns for our investors.



Top: Engineer at the control room of Dariba Smelting Complex, HZL

Middle: Aerial view of the Skorpon Zinc mines, Namibia

Bottom: Children at Child Care Centre, HZL

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Total Shareholder Return*

24-fold growth in Total Shareholder Return (from April 2003 to March 2013)

* Source: Bloomberg

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Chairman's Message

Anil Agarwal, *Chairman*

"Our focus continues to be on creating value for stakeholders through measured capital allocation and we are focused on low-risk, phased projects with high returns."

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Embedding Sustainability

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World's largest integrated Zinc-lead producer.
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Operates one of the world's most efficient Copper smelters.
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Efficient Aluminium assets in India.
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Among the largest independent Power producers in India.
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2012-13 Highlights



Aerial view of Open Pit at Skorpio Zinc Mine, Namibia

Financial

Record

Revenues, EBITDA and Attributable PAT performance

Revenues of
₹ 44,922 Crore **10%**

EBITDA
₹ 10,574 Crore **2%**

Attributable PAT of
₹ 6,060 Crore **26%**

Basic EPS of
₹ 18 per share

Strong balance sheet with Cash and liquid investments of
₹ 24,847 Crore

Contribution of **₹ 6,200 Crore** to the **Indian exchequer** during the year, in terms of taxes, duties and royalties

Highest ever full year dividend of
₹ 2.30 per share **15%**

Consolidated Financial Results

(in ₹ Crore, except as stated)

Particulars	2012-13	2011-12	% change
Revenue	44,922	40,967	10
EBITDA	10,574	10,362	2
EBITDA Margin (%)	24	25	-
EBITDA Margin (excluding custom smelting) (%) ¹	43.2	43.8	-
Profit After Tax	9,249	7,761	19
Attributable PAT	6,060	4,828	26
Basic Earnings per Share (₹ per share)	18.0	14.4	26
Underlying Earnings per Share (₹ per share) ²	18.2	16.7	9
Dividend per share (₹ per share)	2.3	2.0	15

¹ Excludes custom smelting at Copper and Zinc India operations

² Based on Profit for the period after adding back exceptional items and forex, their resultant tax and minority interest effects

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Business

Significant production growth across the portfolio

- ▲ Record production of mined zinc-lead and integrated silver at Zinc India
- ▲ Record copper cathode production
- ▲ Power sales higher by 22%

Strong cost performance despite industry-wide inflationary trends

Exploration success with mine life extensions at Zinc India and Copper Australia

Next phase of mining growth to **1.2 mtpa of zinc-lead capacity** announced at Zinc India

Commissioned first 80 MW unit of the 160 MW captive power plant

Vizag Coal Berth commenced operations in March 2013

Merger with Sesa Goa received approval from High Court of Bombay at Goa; Madras High Court Order awaited*

* Status as on April 29, 2013

Sustainability

Over 5,000 people trained under sustainability framework

LTIFR decreased by 27% over the last year

Invested ₹ 78.41 Crore in community programmes benefiting 2.2 million people



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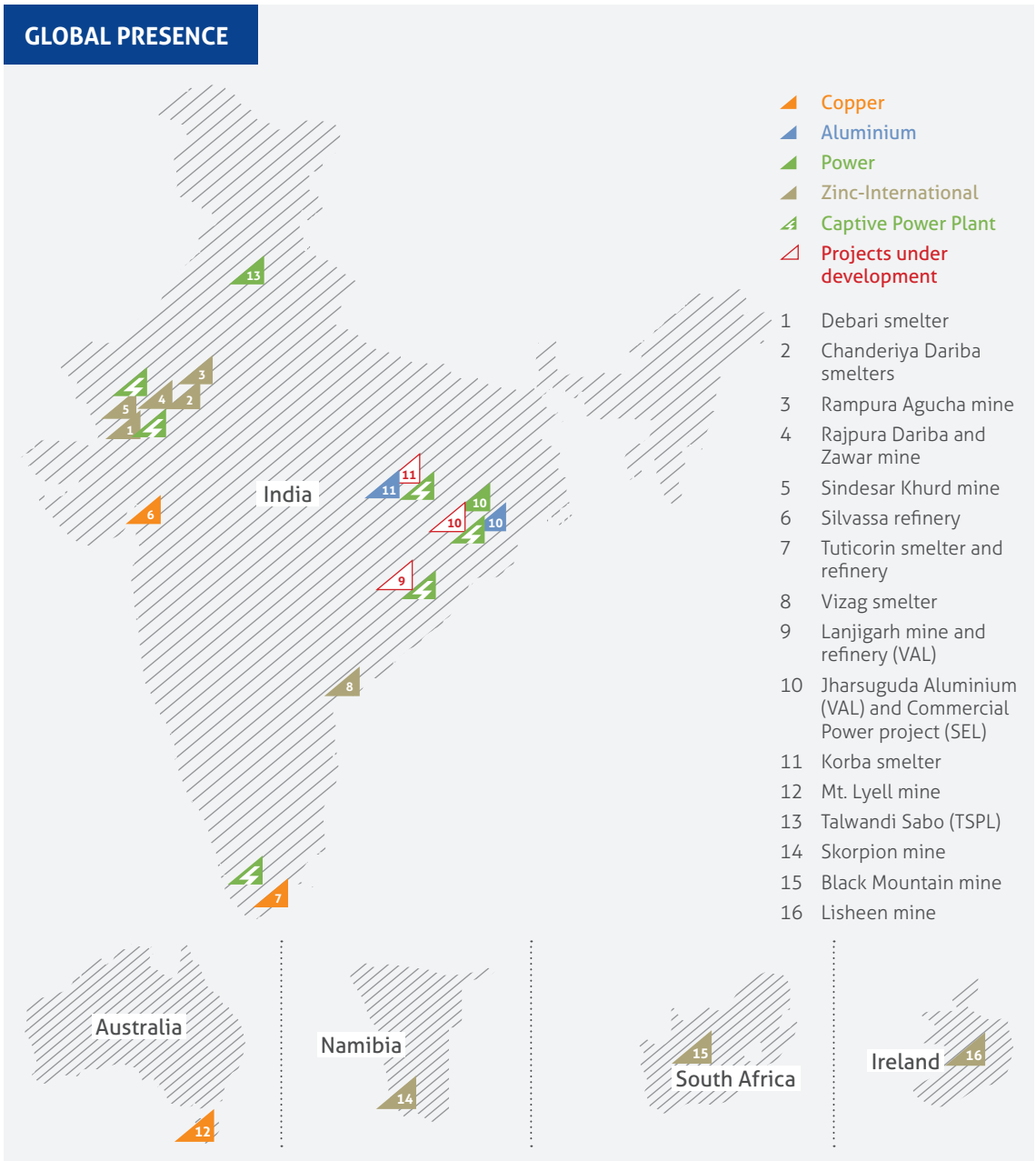
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Sterlite at a Glance



Our world-class assets are located in India, South Africa, Namibia, Ireland and Australia, producing and supplying commodities to a number of emerging markets.



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(maps not to scale)

We are the world's largest integrated zinc-lead producer with operations in India, Namibia, South Africa and Ireland. We are also one of the leading silver producers globally.

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KEY STRENGTHS

- ▲ The world's largest zinc-lead mine – the Rampura Agucha mine – in India
- ▲ Silver-rich ore from the Sindesar Khurd lead-zinc mine in India
- ▲ One of the largest undeveloped zinc deposits in the world at Gamsberg, South Africa

1,227 kt

Production volumes (Zinc-lead)

₹ 7,942 Crore

EBITDA

408 tonnes

Production volumes (Silver)

Zinc-Lead-Silver

We operate one of the world's most efficient copper smelter. Our Australian mines supply a part of the concentrate requirements of our Indian operations.

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KEY STRENGTHS

- ▲ One of the lowest cost copper custom smelters in the world at Tuticorin, India
- ▲ Copper rod production facilities in India

353 kt

Production volumes

₹ 1,217 Crore

EBITDA

Copper

Our aluminium business is well-located in the bauxite and coal reserve rich region of India encompassing mines, smelters and associated captive power plants.

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KEY STRENGTHS

- ▲ Efficient assets operating in the lower half of the global cost curve with purchased alumina and bauxite
- ▲ Operations located in the bauxite and coal rich regions in Eastern India

247 kt

BALCO aluminium production volume

527 kt

VAL* aluminium production volume

₹ 301 Crore

BALCO EBITDA

₹ 971 Crore

VAL* EBITDA

* VAL is an associate company of Sterlite Industries

Aluminium

We are one of the largest independent power producers in India and have significant capacity in renewable energy.

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KEY STRENGTHS

- ▲ 2,400 MW power plant at Jharsuguda, India in the process of expanding further
- ▲ Near-term growth from the new 1,980 MW Talwandi Sabo plant in India

9,282 million kWh

Production volumes (units sold)

₹ 1,115 Crore

EBITDA

Power



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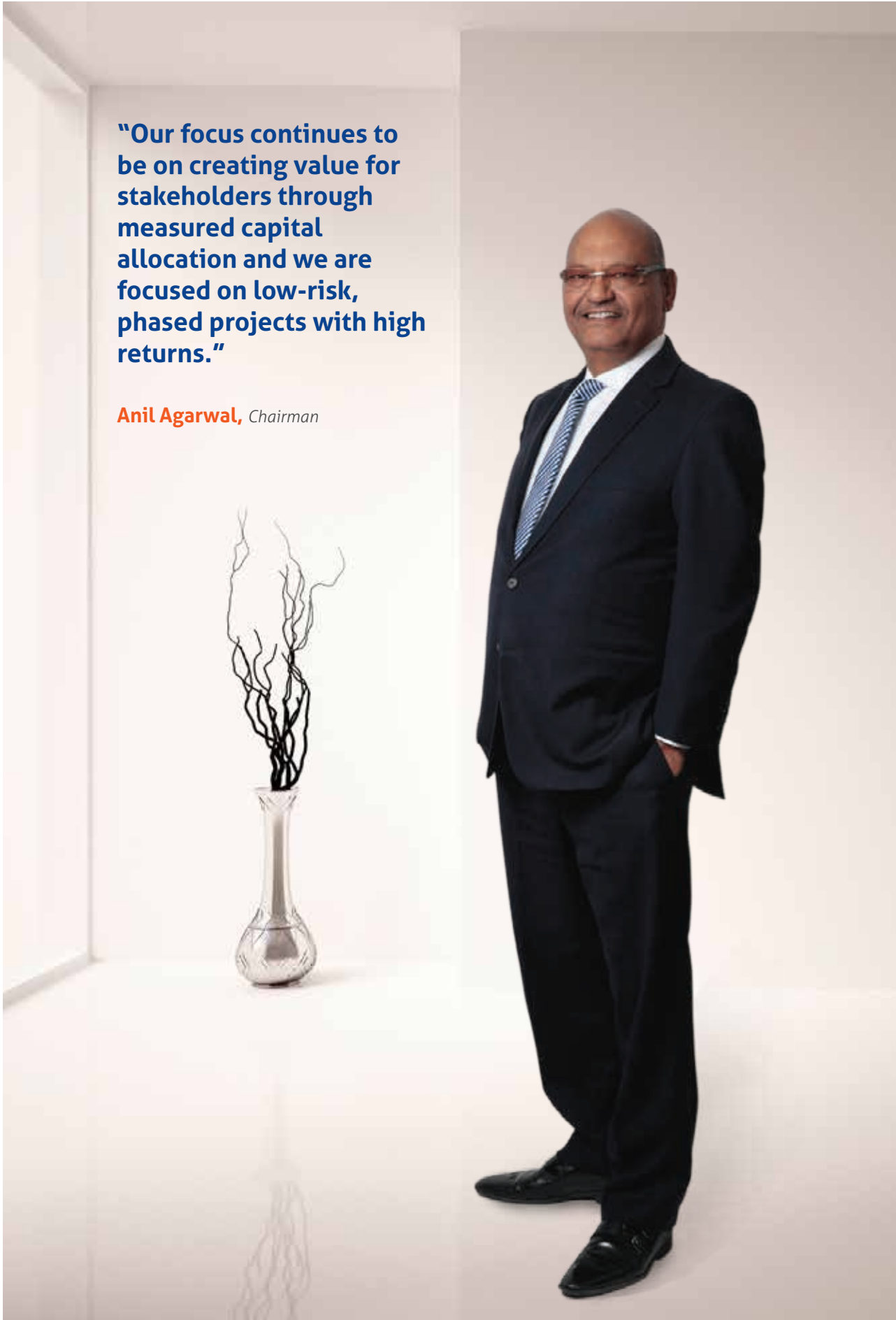
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Chairman's Message

"Our focus continues to be on creating value for stakeholders through measured capital allocation and we are focused on low-risk, phased projects with high returns."

Anil Agarwal, *Chairman*



Sterlite has delivered a set of strong results, driven by production ramp-ups and continued cost control across our diversified portfolio of assets, against a backdrop of challenging economic conditions and volatile commodity prices. We also achieved exploration success during the year and our focus remains to consistently create long-term value for shareholders.



Cell house at Dariba zinc smelter, HZL

Strong positioning

In a world where growth and commodity demand is still volatile, the emerging markets continue to remain the key drivers of growth. Sterlite has a significant portion of its assets located across India. Thus, it is well positioned to capitalise on the country's growth. With favourable demographics and urbanisation driving consumption growth in India, we are well placed to meet the growing demand as the largest domestic producer of various commodities across our product portfolio.

A strong operating and financial performance

We achieved record production of mined zinc-lead and integrated silver at Zinc India. Despite industry-wide inflationary pressures, we were able to reduce or maintain unit costs across majority of our operations. While we are not immune to inflationary pressures, we continued to control costs and have also demonstrated a track record of implementing operational improvements and maintaining our relatively new asset base at low sustaining capex costs.

Driven by a robust operating and financial performance, we delivered a record EBITDA of ₹ 10,574 Crore and a record attributable PAT of ₹ 6,060 Crore, despite lower LME prices. Our balance sheet remains strong with cash and liquid investments of ₹ 24,847 Crore.

“Driven by a solid operating and financial performance, we delivered a record EBITDA of ₹ 10,574 Crore and a record attributable PAT of ₹ 6,060 Crore, despite lower LME prices. Our balance sheet remains strong with cash and liquid investments of ₹ 24,847 Crore.”

Robust strategy execution

LONG-TERM VALUE

We have a proven track record of consistently growing our reserves and resources (R&R) organically in our mining operations and this year, our exploration activities resulted in the addition of significant R&R in our Zinc India and Copper Australia operations.

Last year, we had announced the merger of Sterlite Industries (India) Ltd with Sesa Goa Ltd to create Sesa Sterlite Ltd, one of the world's



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largest diversified natural resource companies with operations across base metals, iron ore, silver, oil & gas and commercial power. The merger would generate significant synergies. This transaction has received approvals of the shareholder and various regulatory bodies, including the approval of the High Court of Bombay at Goa, and we await the final approval of the High Court of Madras*.

Organic growth

We delivered production ramp-up across the portfolio during the year, and remained focused on capital allocation to low-risk brownfield projects with attractive returns. At our cost-efficient Zinc India business, we plan to grow mined metal capacity by 20% to 1.2 mtpa, driven primarily by brownfield expansion projects over the next six years.

“Over the past fiscal year, we made a multitude of positive contributions in core areas of our operations at the regional level. We supported the local communities by undertaking a process of inclusive growth.”

Sustainability

Following the development and group-wide roll-out of our business sustainability framework last year, we have consistently implemented this across the Group to enhance the value of our business, reduce our risks and preserve our license to operate.

Over the years, we have emerged as one of India's largest employers for mining engineers and geologists in India. In addition to our strong workforce of around 13,500 employees, we also indirectly created employment for around 36,000 people through our contractors.

Your Company has made a significant contribution of ₹ 6,200 Crore for the year to the exchequer.

Over the past fiscal year, we made a multitude of positive contributions in core areas of our operations at the regional level. We supported the local communities by undertaking a process of inclusive growth.

We have made considerable progress on our five priority areas:

- ▲ Embed sustainable development into every aspect of what we do.
- ▲ Improve our health and safety performance for a safer, more secure and healthier environment.
- ▲ Contribute further and in a more targeted way to local communities.
- ▲ Continue to manage and minimise our impact on air, water and land.

* Status as on April 29, 2013