



**sesa sterlite**  
a vedanta company

**SESA STERLITE LIMITED**

ANNUAL REPORT  
2013-14



Report  junction.com

**CONSOLIDATED  
STRENGTHS  
SUSTAINABLE  
VALUE**



# WHAT'S INSIDE?



**Top:** Employee at Cairn India

**Bottom:** Sesa Goa iron ore mine

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THE MERGER OF SESA GOA AND  
STERLITE INDUSTRIES CREATED  
**SESA STERLITE** - ONE OF THE  
WORLD'S LARGEST DIVERSIFIED  
NATURAL RESOURCES  
COMPANIES.

It has a portfolio of **world-class, low-cost, scaleable assets** that generate strong and consistent profitability with robust cash flows.

The consolidation of our strengths, will lead to the **creation of better opportunities and sustainable value** for all stakeholders. It will also facilitate the fulfillment of our sustainability objectives and community outreach, helping improve the lives of many.

In our first annual report, **we outline our vision and strategy and give you a glimpse into the assets we own,** the role we play in securing a resource-rich future, and the manner in which we care for our communities.

WELCOME TO  
**OUR WORLD.**

# QUICK FACTS



Employees at Cairn India

**ONE OF THE  
WORLD'S  
LARGEST  
DIVERSIFIED  
NATURAL  
RESOURCES  
COMPANIES**

**OPERATING ~30%  
OF INDIA'S CRUDE  
OIL PRODUCTION**

**WORLD'S FASTEST  
GROWING ENERGY  
COMPANY, AS PER  
PLATTS RANKING  
2013**

**WORLD'S  
LARGEST ZINC  
MINER AND  
SECOND LARGEST  
INTEGRATED ZINC  
PRODUCER**



*Aerial view of the Lisheen mine*

**INDIA'S MARKET LEADER** IN MOST OF THE COMMODITIES IT OPERATES IN

ONE OF THE LARGEST PRIVATE SECTOR EMPLOYERS WITH **71,000+ DIRECT AND INDIRECT EMPLOYEES**

COMMUNITY OUTREACH PROGRAMMES REACHING **3.4+ MILLION**

**CONTRIBUTED ₹ 30,000+ CRORE** TO INDIA'S EXCHEQUER

# SESA STERLITE AT A GLANCE

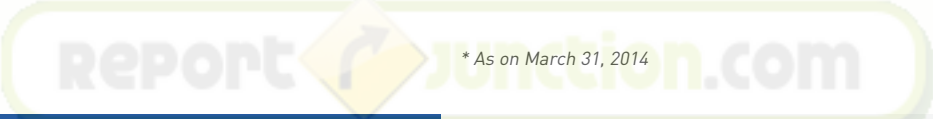
**Sesa Sterlite Limited** (“Sesa Sterlite”) is one of the world’s largest diversified natural resources companies.



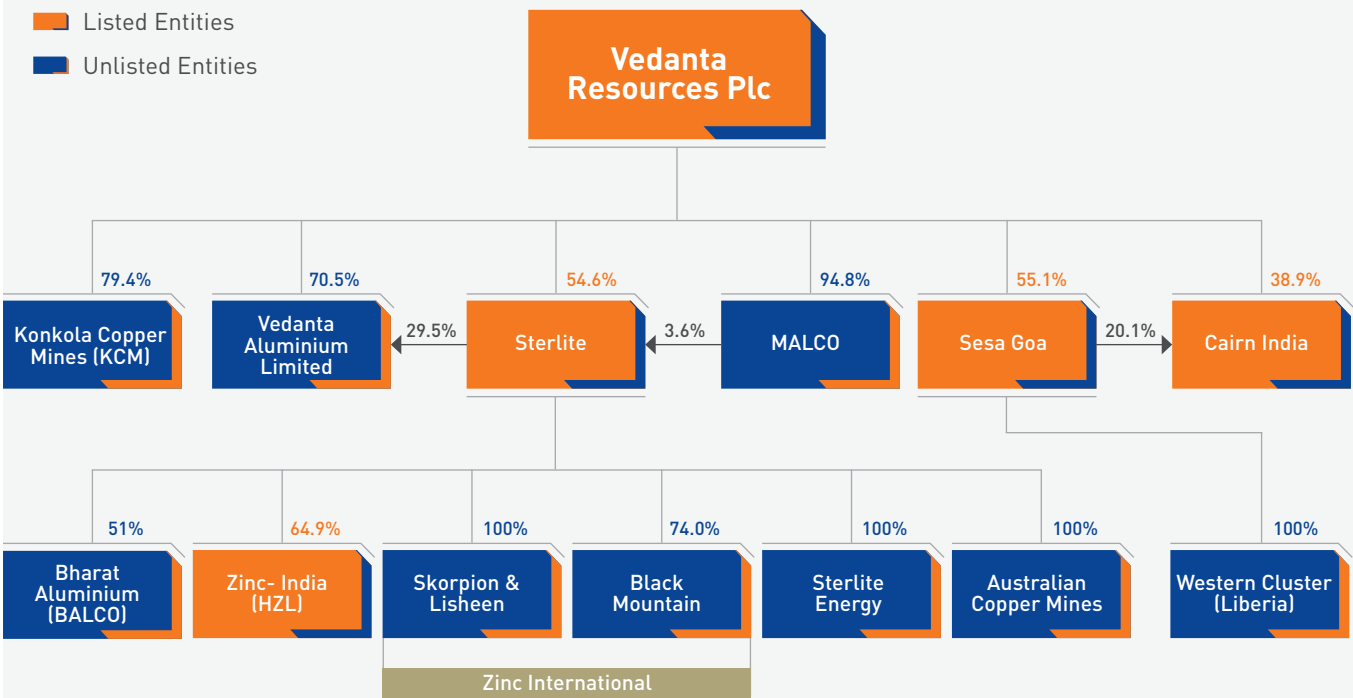
Night view of Tuticorin copper smelter

## MERGER

- ▾ Sterlite Industries Limited and Sesa Goa Limited merged to create Sesa Sterlite Limited
- ▾ Vedanta Aluminium Limited has been 100% consolidated into Sesa Sterlite Limited
- ▾ Sterlite Energy Limited merged into Sesa Sterlite Limited
- ▾ MALCO merged into Sesa Sterlite Limited
- ▾ Vedanta’s direct holding of 38.8% in Cairn India Limited transferred to Sesa Sterlite, with associated debt. Sesa Sterlite now has a 58.9%\* shareholding in Cairn India



## ORGANISATION STRUCTURE: PRE-MERGER

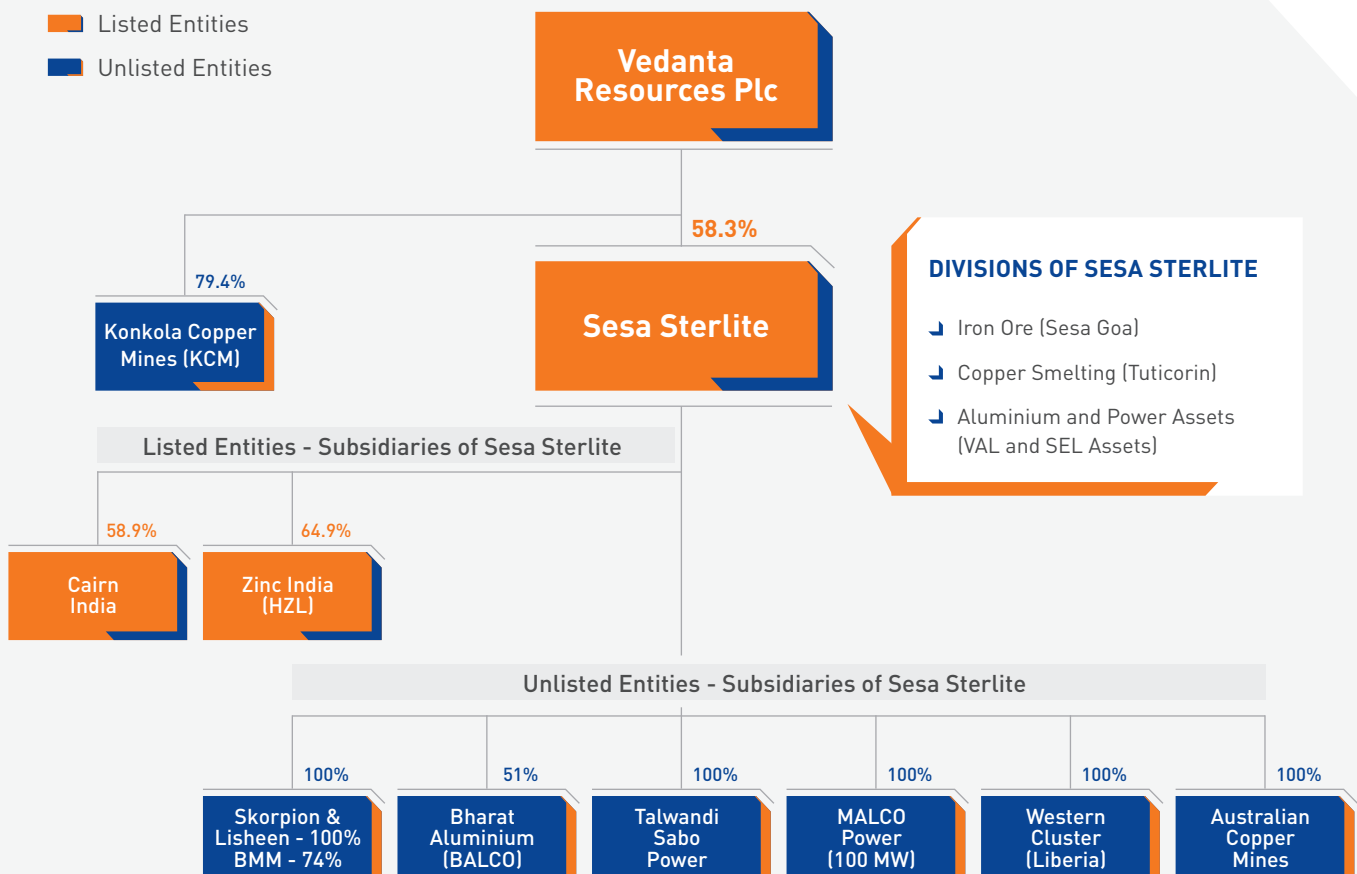


## KEY HIGHLIGHTS OF MERGER

- ▶ The merger of Sterlite Industries (India) Limited and Sesa Goa Limited, and the consolidation of the Vedanta Group has created one of the world's largest diversified natural resource majors.
- ▶ Our business primarily involves exploring, extracting and processing minerals and oil & gas.
- ▶ We produce oil & gas, zinc, lead, silver, copper, iron ore, aluminium and commercial power.
- ▶ Sesa Sterlite has a portfolio of large, world-class, low cost, scalable assets in close proximity to high growth markets.
- ▶ We have a presence across India, South Africa, Namibia, Ireland, Australia, Liberia and Sri Lanka.
- ▶ We also have a strong position in emerging markets with around 80% of our revenues from India, China, East Asia, Africa and the Middle East.
- ▶ A diversified portfolio is expected to reduce volatility of earnings through commodity cycles, lowering the cost of capital and enhancing value.
- ▶ The consolidation will generate significant financial and operational synergies.
- ▶ Sesa Sterlite is a subsidiary of Vedanta Resources Plc, a London-listed company.
- ▶ Sesa Sterlite is listed on the Bombay Stock Exchange and the National Stock Exchange in India and has ADRs listed on the New York Stock Exchange.

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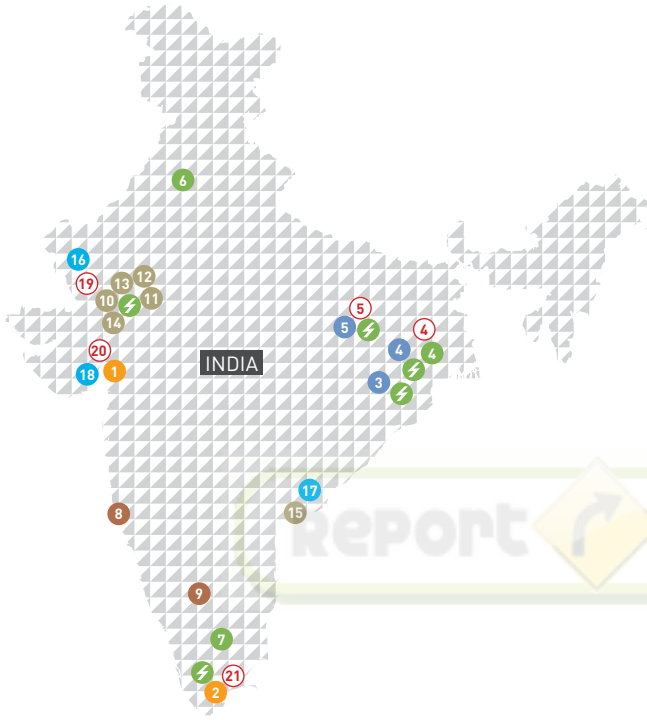
## ORGANISATION STRUCTURE: POST MERGER



# SESA STERLITE AT A GLANCE

## OUR ASSETS

<span style="color: orange;">●</span> Copper	<span style="color: grey;">●</span> Zinc
<span style="color: blue;">●</span> Aluminium	<span style="color: blue;">●</span> Oil & Gas
<span style="color: green;">●</span> Power	<span style="color: red; border: 1px solid red; border-radius: 50%; padding: 2px;">○</span> Projects under development
<span style="color: brown;">●</span> Iron Ore	<span style="color: green;">⚡</span> Captive Power Plant



### Copper

- 1 Silvassa refinery
- 2 Tuticorin smelter and refinery

### Aluminium

- 3 Lanjigarh mine and refinery (VAL)
- 4 Jharsuguda Aluminium (VAL) and Commercial Power project (SEL)
- 5 Korba smelter

### Power

- 4 Jharsuguda Aluminium (VAL) and Commercial Power project (SEL)
- 6 Talwandi Sabo (TSPL)
- 7 MALCO

### Iron Ore

- 8 Sesa Goa operations, Goa
- 9 Sesa Goa operations, Karnataka

### Zinc-Lead-Silver

- 10 Debari smelter
- 11 Chanderiya Dariba smelters
- 12 Rampura Agucha mine
- 13 Rajpura Dariba and Zawar mine
- 14 Sindesar Khurd mine
- 15 Vizag smelter

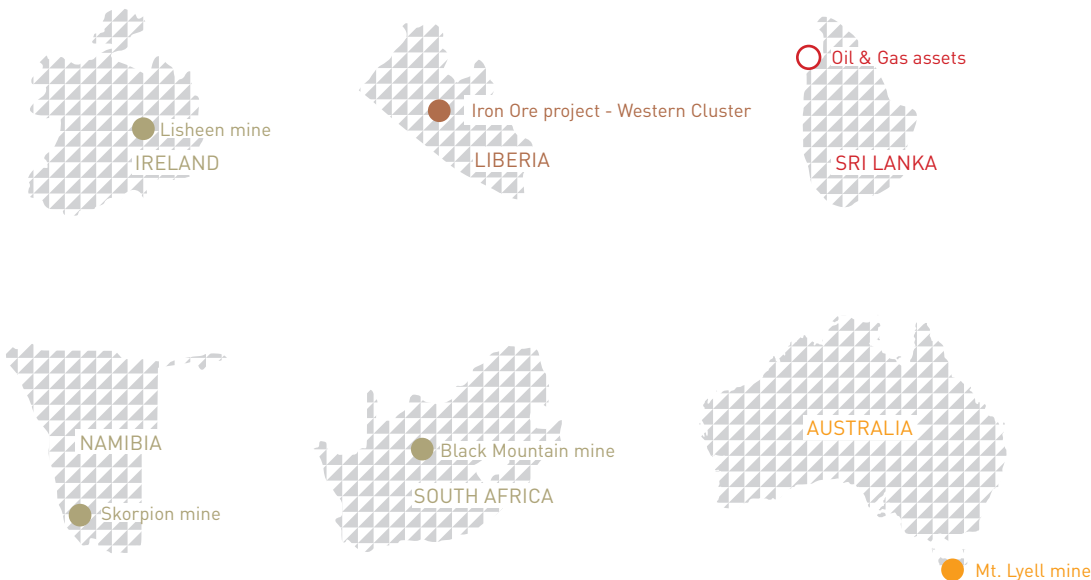
### Oil & Gas

- 16 Mangala, Rajasthan
- 17 Ravva, Andhra Pradesh
- 18 Cambay, Gujarat

### Projects under development

- 4 Jharsuguda Aluminium (VAL) and Commercial Power project (SEL)
- 5 Korba smelter
- 19 Mangala, Rajasthan
- 20 Cambay, Gujarat
- 21 Tuticorin smelter and refinery

## REST OF THE WORLD



Maps not to scale





Zinc International, Skorpion mine

### ZINC-LEAD-SILVER

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

#### Key Strengths

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

#### Production Volumes

**1,119 kt**  
Zinc & Lead

**350 tonnes**  
Silver

#### EBITDA

**₹ 8,086 Crore**

#### Cost Curve Position

Zinc India - **1<sup>st</sup> Quartile**  
Zinc Intl. - **2<sup>nd</sup> Quartile**

#### R&R Life

Zinc India - **25+ years**  
Zinc Intl. - **20+ years**



Cairn India, Oil & Gas assets

### OIL & GAS

Cairn India has been operating for close to 20 years, playing an active role in developing India's oil and gas resources. To date, it has opened 4 frontier basins with over 40 discoveries, 31 in Rajasthan alone. It has a portfolio of 9 blocks – one block in Rajasthan, which contains multiple assets, two on the west coast and four on the east coast of India and one each in Sri Lanka and South Africa. Oil & gas is currently being produced from Rajasthan, Ravva & Cambay.

#### Key Strengths

- ┆ Cairn India was rated as the fastest-growing energy company in the world, as per 2012 & 2013 Platts Top 250 Global Energy Company Rankings.
- ┆ Ranks among the top 20 independent E&P companies, globally.
- ┆ Contributes ~30% of India's current domestic crude production.

#### Production Volumes

**218k boepd**

#### EBITDA

**₹ 13,877 Crore**

#### Cost Curve Position

**1<sup>st</sup> Quartile**

#### R&R Life

**15+ years**

# SESA STERLITE AT A GLANCE



Sesa Goa iron ore mine



Finished product, Tuticorin smelter

## IRON ORE

Our iron ore mining operations are carried out in the Indian States of Goa and Karnataka. We had acquired iron ore assets in Liberia, West Africa. Iron ore operations in India were affected by state-wide mining ban during the year.

### Key Strengths

- ┆ Total R&R of 431 mt in India.
- ┆ Over 1 billion tonnes iron ore deposit at Liberia iron ore project assets, West Africa.

<b>Production Volumes</b>	1.5 mt
<b>EBITDA</b>	₹ (230) Crore
<b>Cost Curve Position</b>	1 <sup>st</sup> Quartile
<b>R&amp;R Life</b>	20+ years

## COPPER

Our copper business includes operations in India and Australia.

- ┆ Our copper India operations includes a custom smelter, a refinery, a phosphoric acid plant, a sulphuric acid plant, a copper rod plant and three captive power plants at Thoothukudi in southern India, a refinery and two copper rod plants at Silvassa in western India.

- ┆ We also own the Mt. Lyell copper mine in Tasmania, Australia. Our Australian mines supply a part of the concentrate requirements of our Indian operations.

### Key Strengths

- ┆ One of the most efficient custom copper smelters in the world.
- ┆ We are among the top two copper producers in India.

<b>Production Volumes</b>	294 kt
<b>EBITDA</b>	₹ 1,176 Crore Copper India
<b>Cost Curve Position</b>	2 <sup>nd</sup> Quartile