

Corporate Governance Report

Company's philosophy on code of Governance

Corporate Governance is all about promoting corporate fairness, transparency and accountability. The canonical philosophy of Corporate Governance in the Company is to achieve business excellence through focus on achieving the highest levels of accountability, efficiency, responsibility and fairness across all areas of operations.

Plainly, Corporate Governance is the relation between Shareholders, Directors, Independent Directors, the Board and Management of the Company and the manoeuvring mantra which will visualise the dreams and expectations of the shareholders in the real world and also promote the enterprise to achieve its goals.

Management's perspective on Corporate Governance

The Company aims at achieving transparency, accountability and equity across all facets of operation and in all interactions with stakeholders, while fulfilling the role of a responsible corporate representative committed to sound corporate practices.

Sterlite Industries (India) Limited ("Sterlite" or "the Company") adheres to good corporate practices which constantly undergo changes and betterment, keeping its core goal in mind — maximising stakeholder value. Adherence to the business ethics and commitment to Corporate Social Responsibility will help the Company achieve excellence. The Company believes that all its operations and actions must ultimately enhance overall benefits over a sustained period of time.

Sterlite believes that the affairs of the Company shall be conducted by following the best practices and principles — whether it is in relation to the customers, employees, stakeholders or the community. The Company's Corporate Governance structure is based on the following principles:

- **Trusteeship:** A transparent and independent Board with a balanced composition and size can provide effective leadership to the Company. The Board is the trustee for all the stakeholders.
- **Aim:** Accountability, independence, effective internal surveillance, voluntary legal compliance and governing rules and procedures.
- **Entrepreneurship:** Empowering the management and employees, especially women, to showcase strength, ownership, innovation and passion to excel and lead.
- **Creating value:** Efficient resource management to enhance enterprise value and return on investment.
- **Concern and respect for people and environment:** Working for the society and community.

The above principles are reflected in the Company's day-to-day initiatives and policies. The Board of Directors remains at the helm of affairs, guiding the Company by approving the broad framework and policies, the annual operation plans, budgets and expansion plans. The day-to-day management is managed by the Copper Management Committee (CMC) comprising of the CEO, COO, CFO, Business Heads, Head HR, Marketing and who acts as the bridge between the Board and the Management.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports Sterlite's compliance with Clause 49 of the Listing Agreement with the Stock Exchanges.

Board of Directors

Composition of the Board

As on 31 March 2010, Sterlite's Board comprised of six Directors. The Non-Executive Chairman and the Executive Vice-Chairman are the two promoter Directors on the Board. In addition, the Board has one Whole-time Director and three Non-Executive independent Directors. The details are given in Table 1.

Number of board meetings

In 2009-10, the Board of the company met fourteen times on 1 April 2009, 28 April 2009, 14 May 2009, 30 May 2009, 15 June 2009, 14 July 2009, 29 July 2009, 10 August 2009, 8 September 2009, 15 October 2009, 29 October 2009, 24 December 2009, 25 January 2010 and 13 March 2010. The maximum gap between any two board meetings was less than four months. Table 1 gives the details.



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Directors' attendance record and Directorships

Table 1: Composition of the Board of Directors

Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee membership/Chairmanships in other Indian public companies		
		Number of Board Meetings Held	Attended	Last AGM	Other Directorship ¹	Committee Membership ²	Committee Chairmanship ²
Mr. Anil Agarwal (Chairman)	Promoter, Non-Executive	14	1	No	4	Nil	Nil
Mr. Navin Agarwal (Executive Vice Chairman)	Promoter, Executive	14	14	No	5	1	Nil
Mr. Sandeep Junnarkar	Independent – Non Executive	14	11	Yes	10	5	Nil
Mr. Gautam Doshi	Independent – Non Executive	14	12	Yes	9	9	4
Mr. Berjis Desai	Independent – Non Executive	14	5	No	8	8	3
Mr. D.D.Jalan (Whole Time Director)	Executive	14	14	Yes	2	Nil	Nil

Notes:

1. The Directorships held by Directors as mentioned above do not include alternate directorships and directorships of foreign companies, Section 25 companies and private limited companies.
2. In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees of all public limited companies have been considered.

As detailed in the table above, none of the Directors is a member of more than 10 Audit or Shareholders & Investors Grievance Committee of public companies in which they are Directors, and nor is Chairman of more than five such Committees.

Directors with Materially Pecuniary or Business Relationship with the Company

As mandated by Clause 49, the Independent Directors on Sterlite's Board:

- a) Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the Director.
- b) Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- c) Have not been an executive of the company in the immediately preceding three financial years.
- d) Are not partners or executives or were not partners or an executives during the preceding three years of any of the:
 - Statutory audit firm or the internal audit firm that is associated with the company.
 - Legal firm(s) and consulting firm(s) that have a material association with the company.
- e) Are not material suppliers, service providers or customers or lessors or lessees of the company, which may affect independence of the Directors.
- f) Are not substantial shareholders of the company i.e. do not own two percent or more of the block of voting shares.
- g) Are not less than 21 years of age.

Transactions with related parties are disclosed in Note 35 – 'Notes forming part of the Accounts' annexed to the financial statements of the year. There has been no materially relevant pecuniary transaction or relationship between Sterlite and its non-executive and/or independent Directors during the year 2009-10.

Information presented to the Board

Amongst other matters, information presented to the Board includes:

- i. Annual operating plans and budgets and any update thereof;
- ii. Capital budgets and any updates thereof;
- iii. Annual Accounts, Half-yearly and Quarterly results for the company and operating divisions and business segments;
- iv. Updates on all projects, formation of new special purposes vehicles any new business being undertaken;
- v. Minutes of the meetings of the Audit Committee and other Committees of the Board;
- vi. Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary;
- vii. Materially important show cause, demand, prosecution notices and penalty notices;
- viii. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- ix. Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company;
- x. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company;
- xi. Details of any joint venture or collaboration agreement;
- xii. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;

- xiii. Significant labour problems and their proposed solutions. Any significant development in human resources/industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.;
- xiv. Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business;
- xv. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- xvi. Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.;
- xvii. Statement of significant transactions and arrangements entered by unlisted subsidiary Companies;
- xviii. Declaration of Dividend;
- xix. General notices of interest of Directors;
- xx. Internal audit findings (through the Audit Committee);
- xxi. Subsidiary companies minutes, financial statements, significant investments and other significant transactions and arrangements, if any.

In addition to the areas described above, the Company's Audit Committee looks into controls and security of the Company's critical IT applications, the internal and control assurance audit reports of all divisions and deviations from the Code of Business Principles, if any (covered in the separate section on Audit Committee).

The Board of Sterlite Industries (India) Ltd is presented with detailed notes along with the agenda papers, well in advance of the meeting. The Board periodically reviews the compliance status of all laws applicable to the company as certified by all the departmental heads as well as steps taken by to rectify instances of any non-compliance. The Board also reviews the Minutes of Meetings of the Board of all unlisted subsidiaries.

2. Code of Business Ethics & Conduct

The Company has a well defined and approved 'Code of Business Ethics & Conduct' (in short called as 'Code of Conduct'/'COC') applicable to all Board members, Senior Management and employees of the company. The COC was amended by the Board in its meeting held on 25 January 2010, to include the revised 'Gift Policy' which advises company officials/employees not to accept any gifts having commercial value from any vendors, business partners, associates. The code of business ethics and conduct is available on the website of the company, www.sterlite-industries.com. All Board members and Senior Management personnel have affirmed compliance with the code of business ethics and conduct. The Chief Executive Officer (CEO) has also confirmed and certified the same (certification is enclosed at the end of this report).

3. Risk Management

The Company's consolidated financial performance is significantly impacted by fluctuations in the prices of Copper, Gold and Silver, Aluminium, Zinc, exchange rates and interest rates. The company takes a very structured approach to the identification and quantification of each such risk and has a comprehensive risk management framework. Risks are identified through a formal risk management programme with the active involvement of business managers, senior management both at entity level and corporate level. The Company maintains a risk register and matrix which is regularly reviewed. The Risk register and Matrix are developed on the basis of Turnbull Risk Management Framework.

Further, the Company has a well defined Foreign Exchange Management framework approved by the Executive Committee of the Group which is being strictly followed. Clearly defined policies and management controls govern all risk management activities. The overall risk management programme is reviewed by the Audit Committee on behalf of the Board.

For further details of Company's risk management framework and policy please refer to the details stated in the Management Discussion & Analysis.

4. Committees of the Board

Audit Committee

As on 31 March 2010, Company's Audit Committee consisted of Mr. Gautam Doshi (Chairman), Independent Director, Mr. Sandeep Junnarkar, Independent Director, and Mr. Berjis Desai, Independent Director. Mr. Gautam Doshi is the financial expert in the Audit Committee and all members of the Audit Committee have accounting and financial management knowledge and expertise.

The Committee met six times during the course of the year on 28 April 2009, 30 May 2009, 29 July 2009, 19 September 2009, 29 October 2009 and 25 January 2010. Table 2 gives attendance record.

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Table 2: Attendance record of the Audit Committee for 2009-10

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. Gautam Doshi	Independent	Chairman	6	6
Mr. Sandeep Junnarkar	Independent	Member	6	5
Mr. Berjis Desai	Independent	Member	6	2

The Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and representatives of the Statutory Auditors and Internal Auditors are regularly invited by the Audit Committee to its meetings. The Company Secretary is the Secretary to the Committee.

The functions of the Audit Committee of the company include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up thereon.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. Reviewing the company's risk management policies and functioning of the Whistle Blower Mechanism.
 - a) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is empowered, pursuant to its terms of reference, to:

- a) Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- b) Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters/letters of internal control weaknesses issued by the statutory auditors

- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the chief internal auditor.

In addition, the Audit Committee of the company also reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies (if any), in view of the requirements under Clause 49.

The Audit Committee is also apprised on information with regard to related party transactions and is being presented with the following;

- A statement in summary form of transactions with related parties in the ordinary course of business.
- Details of material individual transactions with related parties which are not in the normal course of business.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same.

Shareholders' and Investors' Grievances Committee

The Shareholders' and Investors' Grievances Committee of the Company reviews matters related Grievances of shareholders and investors. The Committee primarily focuses on review of investor complaints and its redressal, queries received from investors i.e. transfer of shares, issue of share certificates, non-receipt of Annual Report, non-receipt of declared dividends etc and reviews the Report presented by Share Transfer Agent of the Company. The Committee comprises of three members: Mr. Sandeep Junnarkar who is Chairman of the Committee. Mr. Berjis Desai and Mr.D.D.Jalan, Whole-Time Director being the third member. The Committee met four times during the year on 28 April 2009, 29 July 2009, 29 October 2009 and 25 January 2010. Table 3 gives the details of attendance.

Table 3: Attendance record of the Shareholders' and Investors' Grievances Committee for 2009-10

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. Sandeep Junnarkar	Independent	Chairman	4	3
Mr. Berjis Desai	Independent	Member	4	2
Mr. D. D. Jalan*	Executive	Member	4	4

* Mr. D.D. Jalan was appointed to the Shareholders and Investors Grievance Committee w.e.f 27 April 2009

Remuneration Committee

The Company's Remuneration Committee is responsible for recommending the fixation and periodic revision of remunerations (including commissions and/or incentives, etc) of Whole-Time Directors/Executive Directors. This is done after reviewing their performance based on pre-determined evaluation parameters and the Company policy of rewarding achievements and performance.

Payment of remuneration to the Executive Vice-Chairman, Managing Director and Whole-time Director is governed by the respective agreements executed between them and the Company and are governed by Board and shareholders' resolutions. The remuneration structure comprises of Salary, commission linked to profits, perquisites and allowances and retirement benefits (pension, superannuation and gratuity). Table 4 details the composition and attendance record of the Remuneration Committee.

Table 4: Attendance record of the Remuneration Committee for 2009-10

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. Berjis Desai	Independent	Chairman	1	1
Mr. Gautam Doshi	Independent	Member	1	1
Mr. Anil Agarwal	Promoter, Non-executive	Member	1	NIL

The details of such remuneration, including commission to non-executive Directors have been disclosed in Table 5 below.

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5. Remuneration of Directors

Information on remuneration of Directors during the year ended 31 March 2010 is set forth in Table 5 below.

Table 5: Remuneration paid to Directors for the year ended March 31, 2010 and relationship with each other

Name of the Director	Relationship with other Directors ¹	Sitting Fees ²	Salary and Perquisites (Rs.)	Provident & Superannuation Funds (Rs.)	Commission to non-executive Directors/ Performance Incentive for executive Directors (Rs.) ³	Total (excluding stock options) In Rs.	Stock Options of Holding Company (Nos.) ⁴
Mr. Anil Agarwal	Brother of Mr. Navin Agarwal	N A	–	–	–	–	–
Mr. Navin Agarwal ⁵	Brother of Mr. Anil Agarwal	N A	4,65,18,721	66,82,500	1,35,81,000	6,67,82,221	40,000
Mr. Sandeep Junnarkar ⁶	None	3,00,000	–	–	15,00,000	18,00,000	Nil
Mr. Gautam Doshi	None	3,10,000	–	–	15,00,000	18,10,000	Nil
Mr. Berjis Desai ⁶	None	1,50,000	–	–	15,00,000	16,50,000	Nil
Mr. D. D. Jalan ⁷	None	N A	1,25,88,195	13,20,948	40,21,000	1,79,30,143	13,500

Notes:

- Relationship is determined on the basis of criteria of Section 6 of the Companies Act, 1956.
- Sitting fees are paid for Board-level Committees like Audit Committee, Investors Grievance Committee, and Remuneration Committee.
- Commission to Non-Executive Independent Directors is paid for the financial year ended 31 March 2010. With respect to Executive Directors (Mr. Navin Agarwal and Mr. D.D.Jalan), a performance based payment was made. The payment is based on both operational and financial performance of the Company.
- The Company's parent/ultimate holding Company, Vedanta Resources Plc has granted its stock options to Company's Executive Directors. The fair value for the year in relation to option granted to Mr. Navin Agarwal is Rs. 15,014,348 and Mr. D.D. Jalan is Rs. 49,91,018. The options have a vesting period of three years from the date of granting.
- Mr. Navin Agarwal's service contract expired on 31 July 2008. It has been extended for a further period of 5 (five) years from 1 August 2008 to 31 July 2013. He has been re-appointed in the Annual General Meeting held on 22 August 2008.
- The Company has paid a sum of Rs. 1.16 lacs and Rs. 2.16 lacs, to M/s Junnarkar & Associates and J.Sagar and Associates, in which Mr.Sandeep Junnarkar and Mr.Berjis Desai respectively, are partners.
- Mr. D. D. Jalan was appointed as Additional Director and Whole Time Director on 24 December 2008. The service contract was executed for a period of 2 (two) years i.e. from 24 December 2008 to 23 December 2010. At the AGM held on 19 September 2009, he was appointed as regular director and the shareholders approved his appointment as Whole-Time Director along with remuneration and other terms of service contract.

Share/Debenture Transfer Committee

The Board of Directors have delegated the power to approve share/debenture transfers, transmission and consider split/consolidation requests to the Share/Debenture Transfer Committee. The Company's Share/Debenture Transfer Committee consists of three Directors, namely, Mr. D. D. Jalan, Mr. Gautam Doshi and Mr. Berjis Desai. The Share/Debenture Transfer Committee met 18 times during the year.

The Banking and Authorisation Committee

The Banking and Authorisation Committee consists of six members, i.e. two Directors & four Senior Management officials of the Company, namely Mr. Navin Agarwal, Vice Chairman, Mr. D.D.Jalan, Whole-Time Director, Mr. Tarun Jain, Director-Finance, Mr. Kishore Kumar, Chief Executive Officer (CEO), Mr. Ramesh Nair, Chief Operating Officer (COO) and Mr.Vinod Bhandawat, Chief Financial Officer (CFO). The Board at its meeting held on 29 July 2009 revised the Charter for the Banking and Authorisation Committee. The Committee consider and facilitates decision making on various matters related to operations, finance, banking operations, delegation of powers for day to day excise and sales tax matters, authorisation to specific employees for certain contractual obligations and such other delegation as may be required from time to time. The Committee met once during the year and approved other delegation through circulation.

Shares and Convertible Instruments held by Non-Executive Directors

Table 6 gives details of the shares and convertible instruments held by the non-executive Directors as on 31 March 2010.

Table 6: Details of the shares and convertible instruments held by the non-executive Directors as on 31 March 2010

Name of the Director	Category	Number of shares held	Number of convertible instruments held
Mr. Anil Agarwal	Promoter	Nil	Nil
Mr. Sandeep Junnarkar	Independent	18,000	Nil
Mr. Gautam Doshi	Independent	Nil	Nil
Mr. Berjis Desai	Independent	Nil	Nil

6. Subsidiary Companies

Clause 49 defines a 'material non-listed Indian subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

As on 31 March 2010, the Company has no such material non-listed subsidiary.

7. Management

Management Discussion and Analysis

This annual report has a detailed chapter on Management Discussion and Analysis.

Disclosures by Management to the Board

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors do not participate in the discussion nor do they vote on such matters.

Disclosure of Accounting Treatment in Preparation of Financial Statements

Sterlite has followed the guidelines of accounting standards referred to in Section 211(3C) of the Companies Act, 1956 including Accounting Standard (AS)-30 on 'Financial Instruments: Recognition and Measurement' and Limited revision arising out of it in other Accounting Standards, issued by 'The Institute of Chartered Accountants of India'.

8. Code for Prevention of Insider-Trading Practices

As part of Code of Conduct, the Company has a well defined and laid down policy approved by the Board for prevention of insider trading which is in line with the SEBI Insider Trading Prohibition Regulations and Securities Exchange Commission ('SEC') regulations. The Insider Trading Prohibition Policy is applicable to all Directors, Senior Management/Employees categorized as 'Designated Employees'. The Policy lays down guidelines, and advises the Directors/Designated Employees on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the consequences of violations. A detailed presentation was sent to all the Directors/Designated Employees on the Policy/Do's and Don'ts. The code clearly specifies, among other matters, that Directors and designated employees of the Company can trade in the shares of the company only during 'Open Period'. The trading window is closed at the time of declaration of results, dividend and material events, etc. as per the Code. A yearly disclosure is taken by all the Directors and Designated Employees of the Company.

The Company Secretary is the Compliance Officer.

CEO/CFO Certification

The CEO and CFO certification of the financial statements for the year is enclosed at the end of the report.

9. Shareholders

Profile of Directors who are to be appointed/re-appointed

Profile of Directors along with the Directorship details who are retiring by rotation is provided herewith.

Mr. Anil Agarwal

Anil Agarwal, founder promoter of the Company which was established in 1975, is the Non-Executive Chairman and was appointed on the Board of the Company in 1978. Mr. Agarwal has over 30 years of experience as an industrialist and has been instrumental in the growth and development of the Company since its inception. Details of other Directorships and membership of Committees are as below:

Directorship

Public Companies in India & Abroad

1. Bharat Aluminium Company Limited	Chairman
2. Sterlite Technologies Limited	Chairman
3. Vedanta Aluminium Limited	Director
4. Sterlite Energy Limited	Chairman
5. Vedanta Resources Plc, UK	Executive Chairman

Private/Section 25 Company

1. Anil Agarwal Foundation (a Section 25 Company)	Director
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Mr. Anil Agarwal is not a member in any Committees. Further, Mr. Anil Agarwal is related to Mr. Navin Agarwal as brother.

Mr. Gautam Doshi

Gautam Bhailal Doshi is our Non-Executive and Independent Director and was appointed on the Board of the Company in December 2001. Mr. Doshi is a Chartered Accountant. Since August 2005, he has been the Group Managing Director of the Reliance ADA Group Limited. Prior to that, he was a partner of RSM & Co. in India from September 1997 to July 2005. Mr. Doshi has more than 25 years of experience in the areas of audit, finance and accounting. Mr. Doshi has a Bachelor of Commerce from the University of Mumbai and a Master of Commerce from the University of Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India.

Details of other Directorships and membership of Committees are as below:

Public Company

1. Reliance Communications Infrastructure Limited	Director
2. Reliance Life Insurance Company Limited	Director
3. Reliance Media Works Limited	Director
4. Reliance Anil Dhirubhai Ambani Group Limited	Director
5. Reliance Big TV Limited	Director
6. Reliance Telecom Limited	Director
7. Reliance Media World Limited	Director
8. Sonata Investment Limited	Director
9. Piramal Life Sciences Limited	Director

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Private/Section 25 Company

1. Digital Bridge Foundation (a Section 25 Company)	Director
2. Telecom Infrastructure Finance Private Limited	Director
3. Reliance Home Finances Private Limited	Director
4. Nahata Film Infotain Private Limited	Director

Committee Membership (in Audit and Investor Grievance Committees)

1. Sonata Investments Limited	Audit Committee
2. Reliance Communications Infrastructure Limited	Audit Committee
3. Reliance Life Insurance Company Limited	Board Audit & Compliance Committee
4. Reliance Big TV Limited	Audit Committee
5. Reliance Media Works Limited	Audit Committee Investor Grievance Committee
6. Reliance Telecom Limited	Audit Committee Investor Grievance Committee
7. Piramal Life Sciences Limited	Audit Committee

Communication to Shareholders

Sterlite Industries (India) Ltd. puts forth key information about the company and its performance, including quarterly results, official news releases, and presentations to analysts, on its website www.sterlite-industries.com regularly for the benefit/information of the public at large.

During the year, the quarterly results of the Company's performance have been published in leading newspapers such as 'The Economic Times' in English and 'Dinamalar' (Tamil Nadu edition) in the vernacular. Hence, they are not separately sent to individual shareholders. Sterlite, however, furnishes the quarterly and half-yearly results on receipt of a request from any shareholder.

Investor Grievances & Shareholder Redressal

The company has appointed, M/s. Karvy Computershare Private Limited, as its Registrar and Share Transfer Agent, who are fully equipped to carry out share transfer activities and redress investor complaints. Company Secretary is the Compliance Officer for redressal of all shareholders' grievances.

Disclosure on material financial and commercial transactions with Senior Management

Senior Management of the Company has not entered into any material financial or commercial transactions wherein they have personal interest that may have potential conflict of interest with that of the Company at large. Declaration under the Code of Conduct is treated as confirmation from Senior Management in this regard, since the Code of Conduct of the Company specifically prohibits any transactions which involve conflict of interest.

Senior Management denotes the functional heads and the core management team excluding the Directors.

Disclosures

Related party transactions

All the related party transactions are strictly done on arm's length basis. The Company presents a detailed statement of all related party transactions before the Audit Committee on a Quarterly basis, specifying the nature, value and terms and conditions of the transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company as utmost priority.

Attention of the Members is drawn to the disclosures of transactions with the related parties set out in Notes of Accounts forming part of the Annual Report.

Statutory compliance, penalties and strictures

The Company has complied with the requirements of the Stock Exchanges/SEBI and Statutory Authority on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by these authorities in the last three years.

Whistle Blower Policy

As part of Code of Conduct, the Company has a Whistle Blower Policy, where any instance of non-adherence to the Policy or any observed unethical behaviour is to be brought to the attention of the Head of Management Assurance System. During the year, the concerns reported under this mechanism have been scrutinised and appropriate actions taken. It is also confirmed that no personnel has been denied access to the Audit Committee.

General body meetings

Date, time and venue for the last three Annual General Meetings (AGM) and Extraordinary General Meetings (EGM) are given in Table 7 below.

Table 7: Details of last three Annual General Meetings and Extraordinary General Meetings

Financial year	Meeting	Date	Time	Venue	Special Resolutions Passed
2006-07	AGM	28 Sep 2007	11.30 A.M.	Tamira Club, Tamira Niketan, SIPCOT Industrial Complex, Madurai Bye-pass Road, T.V. Puram P.O. Tuticorin 628002, Tamil Nadu	None
2007-08	AGM	22 Aug 2008	12 noon	Tamira Club, Tamira Niketan, SIPCOT Industrial Complex, Madurai Bye-pass Road, T.V. Puram P.O. Tuticorin 628002, Tamil Nadu	None
2008-09	AGM	19 Sep 2009	2.00 P.M.	Tamira Club, Tamira Niketan, SIPCOT Industrial Complex, Madurai Bye-pass Road, T.V. Puram P.O. Tuticorin 628002, Tamil Nadu	Payment of Commission to the Non Executive Directors of the Company for a period of five years w.e.f. 1 April 2009
2006-07	EGM	11 Dec 2006	11.30 A.M.	B 10/4, Waluj MIDC Industrial Area, Waluj District, Aurangabad – 431133, Maharashtra	(i) Alteration in Memorandum and Articles of Association (ii) Issue of Securities
2008-09	EGM	11 Jul 2009	12.45 P.M.	Tamira Club, Tamira Niketan, SIPCOT Industrial Complex, Madurai Bye-pass Road, T.V. Puram P.O. Tuticorin 628002, Tamil Nadu	(i) Issue of Securities to Qualified Institutional Buyers (QIB) under Qualified Institutions Placement (QIPs). (ii) Raising of funds through issue of American Depository Receipts (ADRs)/Global Depository Receipts (GDRs)/Foreign Currency Convertible Bonds (FCCBs)/any other securities

Postal Ballot

No resolution was passed during the financial year through Postal Ballot.

Compliance with mandatory requirements

The company is fully compliant with the applicable mandatory requirements of Clause 49.

Compliance with non mandatory requirements

The details of compliance of the non-mandatory requirements are listed below.

Remuneration Committee

The Company has constituted a Remuneration Committee for the purpose of determining the executive remuneration. Details of the composition and function of the Remuneration Committee are given in the section 'Committees of the Board'.

Whistle Blower Policy

Details of Whistle Blower Policy adopted by the Company are given in the "Disclosures" section of this report.

Audit qualifications

During the current financial year, there are no audit qualifications in the financial statements. The company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

Auditor's Certificate on Corporate Governance

The company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of corporate governance, as mandated in Clause 49. The certificate is annexed to this report.

Additional Shareholder Information

Annual General Meeting

Date: 11 June 2010
 Time: 12.30 PM.
 Venue: SIPCOT Industrial Complex Madurai Bye pass Road.
 TV Puram P.O. Tuticorin 628 002, Tamil Nadu

Financial calendar for the Year 2010-11

The tentative financial calendar for the year ending 31 March 2011 is given below:

Board Meetings for considering the Quarterly results for the first three Quarters of the financial year ending 31 March 2011 –
 Within 45 days from the end of each Quarter

Board Meeting for considering Audited Results for the last Quarter and for the financial year ending 31 March 2011 –
 Within 60 days from the end of the financial year

Book closure

The books will be closed on 21 May 2010 as annual closure for dividend entitlement which will be paid after approval by the Shareholders at the ensuing Annual General Meeting scheduled on 11 June 2010.

Dividend date

The Board has recommended a dividend of Rs. 3.75 per share of Rs. 2/- each fully paid up i.e. 187.5 % for the year ended 31 March 2010, which would be paid to those Shareholders whose name appear in the Register of Members on 21 May 2010 when approved, by the Shareholders at the ensuing Annual General Meeting scheduled on 11 June 2010.

Listing

Equity shares of Sterlite Industries (India) Ltd are listed on the Bombay Stock Exchange Limited (BSE), Mumbai and National Stock Exchange of India Limited (NSE), Mumbai. The Company's American Depository Receipts (ADR) are listed on the New York Stock Exchange (NYSE), US.

Stock codes

- BSE: 500900
- NSE: STER/EQ
- NYSE: SLT (for ADS)

The ISIN number (or demat number) for Equity Shares of the Company on both the NDSL and CDSL is INE268A01031.

The Company's ADS carry CUSIP number is 859737207.

All listing and custodial fees to the Stock Exchange and depositories have been paid to the respective institutions.

Stock data

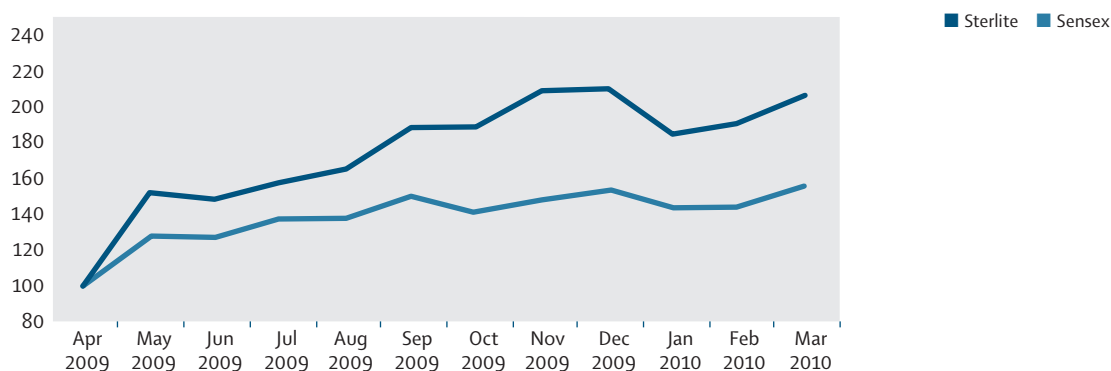
Table 8 below gives the monthly high and low prices and volumes of Sterlite Industries (India) Ltd's equity shares at BSE, NSE and ADRs on NYSE for the year 2009-10.

Table 8: High and Low Prices, and Trading Volumes at BSE, NSE and NYSE

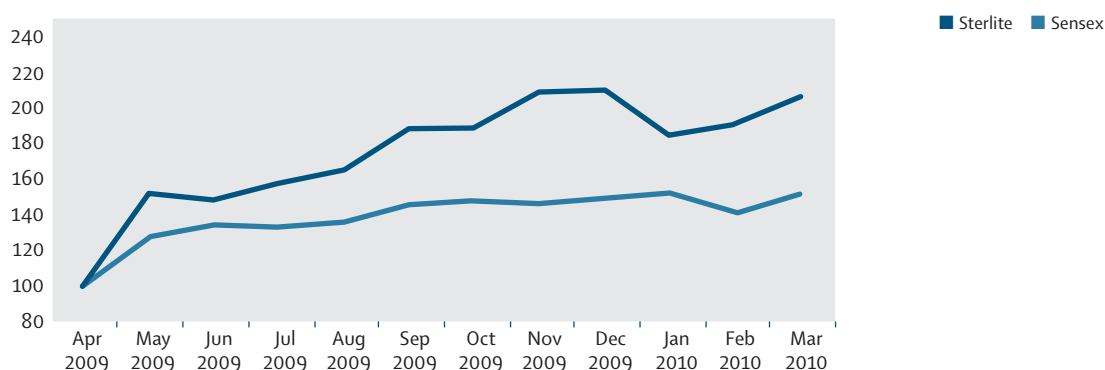
Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)			NYSE		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (US\$)	Low (US\$)	Volume (Nos.)
Apr 2009	434.00	345.60	16,672,997	431.40	346.55	68,452,898	8.72	6.70	1,331,500
May 2009	635.00	417.25	21,175,766	636.30	420.00	81,981,882	13.27	8.35	1,824,800
Jun 2009	738.90	556.00	15,813,701	740.00	555.00	72,009,912	14.93	11.35	1,340,300
Jul 2009	665.00	536.30	26,916,375	664.80	532.50	123,114,299	13.50	10.52	4,841,800
Aug 2009	707.00	547.40	19,117,191	710.00	600.05	71,902,638	14.34	12.20	2,058,400
Sep 2009	789.90	627.40	13,134,147	789.65	626.85	66,576,436	16.22	12.56	1,542,600
Oct 2009	879.70	730.10	10,812,814	873.90	727.20	53,084,067	18.78	15.16	3,602,600
Nov 2009	884.70	711.25	9,019,068	893.35	710.00	43,496,673	19.38	15.23	1,454,100
Dec 2009	902.20	798.00	6,806,265	904.00	795.30	33,746,130	19.52	16.90	1,189,300
Jan 2010	928.00	730.20	7,712,993	928.90	731.05	37,733,291	20.10	15.82	1,687,800
Feb 2010	794.00	715.35	7,836,153	794.90	717.15	39,347,994	17.60	15.13	1,533,600
Mar 2010	855.80	791.00	6,987,901	856.75	791.05	35,605,885	18.89	17.15	1,449,100

Stock performance

Chart 'A' plots the movement of Sterlite's shares adjusted closing prices compared to the BSE Sensex and NSE NIFTY.



Note: Share price of Sterlite Industries and BSE SENSEX have been indexed to 100 on 01 April 2010



Note: Share price of Sterlite Industries and NSE NIFTY have been indexed to 100 on 01 April 2010

Additional Shareholder Information continued

Share Transfer Agents and Share Transfer and Demat system

Sterlite executes share transfers through its share transfer agents, whose details are given below:

Karvy Computershare Private Limited
Plot no. 17-24, Vittal Rao Nagar
Madhapur, Hyderabad – 500 081
Andhra Pradesh, India
Tel: 040 - 2342 0815 – 28
Fax: 040 2342 0814/2342 0859
Email: mailmanager@karvy.com, einward.ris@karvy.com
www.karvycomputershare.com

In compliance with the SEBI circular dated 27 December 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point, Sterlite has established direct connections with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the two depositories, through its share transfer agent.

Shares received in physical form are processed and the share certificates are returned within stipulated time from the date of receipt, subject to the documents being complete and valid in all respects. The Company has, as per SEBI guidelines, offered the facility for dematerialised trading.

The company's equity shares are under compulsory dematerialised trading. Shares held in the dematerialised form are electronically traded in the Depository. The Registrar and the Share Transfer Agent of the Company periodically receives data regarding the beneficiary holdings, so as to enable them to update their records and send all corporate communications, dividend warrants, etc.

As on 31 March 2010, dematerialised shares accounted for 52.68 percent of total equity.

In the year June 2007, the Company issued 150,000,000 and in July 2009, the Company issued 131,906,011 American Depository shares (ADS) to the Custodians in US (Citibank N.A), who in turn has issued American Depository Receipts (ADR) which are listed and traded in the New York Stock Exchange (NYSE). 12,49,92,080 ADRs were outstanding as on 31 March 2010. Each ADR represents one equity share of face value Rs. 2 each fully paid up. As on 31 March 2010, there were 12 registered holders of the ADS which is the custodian.

Chart 'B' plots the movement of Sterlite's ADRS in NYSE and NASDAQ

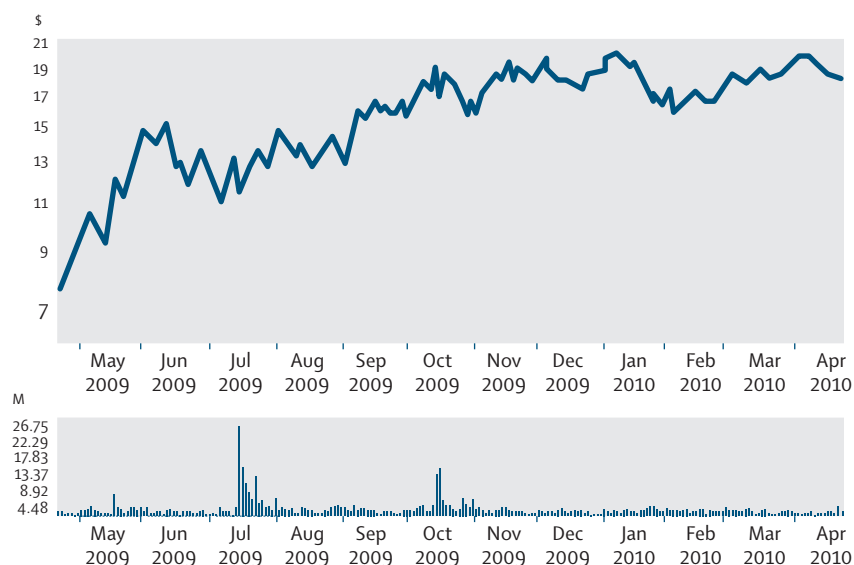


Chart 'C' plots the comparison of Sterlite's ADR performance with S&P 500, NASDAQ and DOW

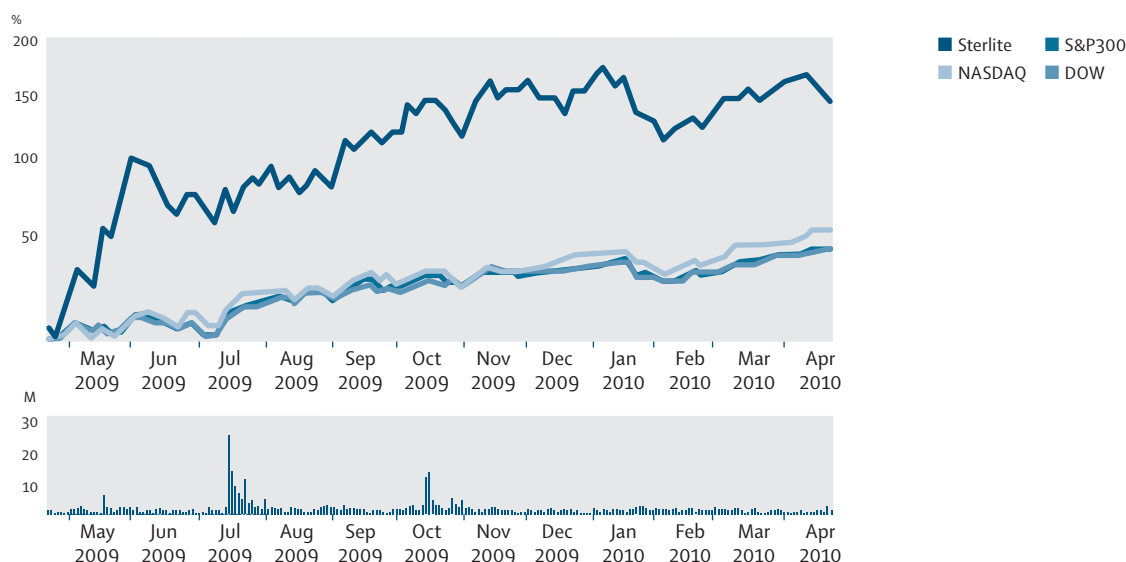


Table 9 gives details about the number and nature of complaints.

Table 9: Number and nature of complaints for the year 2009-10

1. Number of complaints received during the year from the investors	33
2. Number of complaints resolved during the year	32
3. Complaints Pending as at 31 March 2010	1
4. Number of cases of share Transfers pending for approval as at 31 March 2010	Nil

Shareholding pattern

Tables 10 and 11 give the pattern of shareholding by ownership and share class respectively.

Table 10: Pattern of shareholding by ownership as on 31 March 2010

	No. of Equity Shares (Face value of shareholding Rs. 2/- each)	Shares held (%)
Promoters holding		
Promoters		
Indian Promoters	2,58,71,165	3.08
Foreign Promoters	41,17,51,529	48.99
Banks, Financial Institutions, Insurance Companies (Central/State Govt Institutions/Non-government, Institutions)	3,53,54,378	4.21
Foreign Institutional Investors (FIIs)	11,99,83,247	14.29
Foreign Direct Investment (FDI)	0	0
Mutual Funds (including UTI)	3,15,21,449	3.75
Private Corporate Bodies	4,23,58,015	5.04
Indian Public	2,64,62,373	3.15
NRIs/OCBs	9,58,559	0.11
Shares held by custodians against which Depository Receipts have been issued	12,49,92,080	14.87
Clearing Member	9,45,421	0.11
Trusts	1,78,31,214	2.12
Foreign Bodies – DR	23,70,992	0.28
Grand Total	84,04,00,422	100.00

Additional Shareholder Information continued

Table 11: Pattern of shareholding by share class as on 31 March 2010

Shareholding class	Number of shareholders	Number of shares held	Shareholding %
Up to 5,000	1,00,901	1,79,64,641	2.14
5,001 to 10,000	431	3,124,249	0.37
10,001 to 15,000	150	1,846,612	0.22
15,001 to 20,000	68	1,191,109	0.14
20,001 to 25,000	57	13,02,205	0.15
25,001 to 50,000	144	53,44,709	0.64
50,001 to 100,000	116	83,00,971	0.99
100,001 and above	348	67,63,33,846	80.48
Equity shares underlying ADSs	1	12,49,92,080	14.87
Total	1,02,216	84,04,00,422	100.00

Details of public funding obtained in the last three years and outstanding warrants/ADSs and their implications on Equity Share Capital

Table 12: Details of public funding obtained during the last three years and its implication on paid up Equity Share Capital

Financial Year	Amt. raised through Public Funding	Effect on paid up Equity Share Capital
2007-08	Issue of 15,00,00,000 ADSs, each representing one equity share of face value Rs. 2 each	The number of paid up equity shares of the Company increased from 55,84,94,411 shares of Rs. 2 each to 70,84,94,411 shares of Rs. 2 each*
2008-09	NIL	NIL
2009-10	Issue of 13,19,06,011 ADSs, each representing one equity shares of face value Rs. 2 each	The number of paid up equity shares of the Company increased from 70,84,94,411 shares of Rs. 2 each to 84,04,00,422 shares of Rs. 2 each*
2009-10	Issue of Foreign Currency Convertible Notes to the tune of US\$500 Million with a maturity of 5 years and conversion price of US\$ 23.33 per ADS. The conversion rate is 42.868 per US\$1000 principal amount outstanding on FCCNs	Assuming full conversion of FCCNs the number of ADS that arise would be 2,14,31,633.

* The outstanding ADS as on 31 March 2010 is 12,49,92,080

Plant locations

Division	Location
Copper Anodes (Smelter), Refinery, Continuous Cast Copper Rods and Captive Power Plant	Tuticorin (Tamil Nadu)
Copper Cathodes (Refinery) and Continuous Cast Copper Rods	Chinchpada (Silvassa, UT of D&H)
Continuous Cast Copper Rods	Piparia (Silvassa, UT of D&H)
Continuous Cast Copper Rods	Lonavala (Maharashtra)
Aluminium Alloy Sheets & Foils	Sanaswadi, Dist. Pune (Maharashtra)

Investor correspondence address

For shares held in physical form

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar
Cyberabad, Madhapur, Hyderabad 500081
Tel: +91-40-2342 0818
Fax: +92-40-4465 5000
Contact Person: Mr. K. S. Reddy
Email: einward.ris@karvy.com

For Shares held in dematerialised form

To the Depository Participant

Compliance Officer for Investor Redressal

Mr. Rajiv Choubey
Company Secretary
Sterlite Industries (India) Ltd
SIPCOT Industrial Complex
Madurai Bye-pass Road, TV Puram PO
Tuticorin 628 002, Tamil Nadu, INDIA
Tel No. +91-461-661 2591
Fax: +91-461- 234 0203
Email: comp.sect@vedanta.co.in

Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

The Notes to the Notice details the due dates on which unclaimed dividends lying in the unpaid dividend accounts of the Company would be credited to the IEPF. Investors are requested to claim their unclaimed dividends before these due dates.

Pursuant to Section 205C of the Companies Act, 1956 and the IEPF (Awareness and Protection of Investors) Rules, 2001, a sum of Rs. 9,89,145/- being the unclaimed dividend for the year 2001-2002 and a sum of Rs. 11,53,035 being the unclaimed redemption and interest on 10% Non-Convertible Debentures has been credited to the IEPF.

For and on behalf of the Board of Directors

Anil Agarwal

Chairman

Place: Mumbai

Date: 26 April 2010

Certification by the Chief Executive Officer and the Chief Financial Officer of the company

We, Kishore Kumar, Chief Executive Officer and Vinod Bhandawat, Chief Financial Officer of Sterlite Industries (India) Ltd, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account, Cash Flow Statement and all its schedules etc., and confirm that:
 - a. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading.
 - b. Based on our knowledge and information, these statements, present in all material respects, a true and fair view of, the company's affairs and are in compliance with the existing accounting standards and/or applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the company during the period are fraudulent, illegal or violative of the company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company, and we have:
 - a. designed such controls and procedures to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the company's disclosure, controls and procedures; and
4. We confirm that:
 - a. There are no deficiencies in the design or operation of internal controls, which could materially adversely affect the company's ability to record, process, summarise and report financial data;
 - b. There are no significant changes in internal controls during the period;
 - c. All significant changes in accounting policies during the year have been disclosed in the notes to the financial statements; and
 - d. There are no instances of significant fraud of which we are aware, that involves management or other employees who have a significant role in the company's internal controls system.
5. We affirm that we have not denied any personnel, access to the Audit Committee of the company (in respect of matters involving alleged misconduct) and we have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices.

Kishore Kumar
Chief Executive Officer

Vinod Bhandawat
Chief Financial Officer

Place: Mumbai
Date: 26 April 2010

Certification on Code of Conduct and Ethics by Chief Executive Officer of the Company

I, Kishore Kumar, Chief Executive Officer of Sterlite Industries (India) Ltd, hereby declare that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2009-10.

Kishore Kumar
Chief Executive Officer

Place: Mumbai

Date: 26 April 2010

Certificate on Corporate Governance

To
The Members of Sterlite Industries (India) Limited

1. We have examined the compliance of conditions of Corporate Governance by Sterlite Industries (India) Limited (the "Company"), for the financial year ended 31 March 2010, as stipulated in clause 49 of the Listing Agreement of said Company with the stock exchanges.
2. The compliance of conditions of Corporate Governance is responsibility of the management. Our examination was limited to the review of the procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor expression of opinion on the financial statement of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and the management, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

4. We state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Chaturvedi & Shah
Chartered Accountants
(Registration No: 101720W)

R. Koria
Partner
Membership No. 35629

Place: Mumbai
Date: 26 April 2010

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No: 117366W)

Shyamak R. Tata
Partner
Membership No. 38320