

The Age of Governance

I. PHILOSOPHY OF THE COMPANY ON CODE OF GOVERNANCE

Corporate Governance represents the value, ethical and moral framework under which business decisions are taken. Investors want to be sure that not only is their capital handled effectively and adds to the creation of wealth, but that business decisions are also taken in a manner which is not illegal or involving moral hazard.

Your Company perceives good corporate governance practices as a key to sustainable corporate growth and long-term shareholder value creation. The primary objective is to develop and adhere to a corporate culture of harmonious and transparent functioning, increasing employee and customer satisfaction and enhancing shareholders' wealth by developing capabilities and identifying opportunities that best serve the goal of value creation. All actions and strategic plans are directed towards delivering value to all stakeholders, as well as conform to the highest standards of corporate behavior.

The five core values that drive Sterlite's business are:

- **Excellence:** Strive relentlessly and constantly improve ourselves in our offerings
- **Creativity:** Allow minds to reach beyond conventional and predictable solutions
- **Integrity:** Conduct our business fairly, with honesty and transparency
- **Responsibility:** For our words and actions
- **Respect:** For our employees, business partners and stakeholders

The Company has a three-tier governance structure:

Strategic Supervision: The Board of Directors occupies the topmost tier in the governance structure. It plays a role of strategic supervision that is devoid of involvement in the task of strategic management of the Company. The Board lays down strategic goals and exercises control to ensure that the Company is progressing to fulfill stakeholders' aspirations.

Strategic Management: The Corporate Management Committee is composed of the senior management of the Company and operates upon the directions of the Board.

Executive Management: The function of executive management is to execute and realise the goals determined by the Board and the Corporate Management Committee.

II. BOARD OF DIRECTORS

The Board of Directors consists of two Whole-time Directors and four Non-Executive Directors. Three Non Executive Directors are also Independent Directors. Mr. Anil Agarwal is a Non-Executive Chairman. The Board composition is in compliance with the requirements of Clause 49 of the Listing Agreement, requiring that not less than half the Board of Directors should consist of Independent Directors. In absence of Mr. Anil Agarwal, the meetings were chaired by Mr. Pravin Agarwal. During FY 2009-10, seven meetings of the Board of Directors were held on April 2, 2009, April 24, 2009, June 26, 2009, July 20, 2009, October 20, 2009, November 12, 2009 and January 18, 2010. The composition of the Board of Directors, attendance of the Directors in Board Meetings and Annual General Meeting and their shareholding details in the Company are as follows:

| Name | Designation | Board Meetings attended | Attendance at the last AGM | Directorships in other Companies** | Committee Memberships & (Chairmanships) in other Companies | No. of shares held in the Company |
|--------------------------|---------------------------|-------------------------|----------------------------|------------------------------------|--|-----------------------------------|
| Mr. Anil Agarwal | Non-Executive Chairman | Nil | No | 05 | Nil | Nil |
| Mr. Arun Todarwal * | Non-Executive Director | 06 | Yes | 07 | 07 | 625 |
| Mr. Haigreve Khaitan* | Non-Executive Director | 03 | No | 14 | 07 | Nil |
| Mr. A. R. Narayanaswamy* | Non-Executive Director | 07 | No | 02 | 01(03) | Nil |
| Mr. Pravin Agarwal | Whole-time Director | 07 | Yes | 03 | Nil | Nil |
| Dr. Anand Agarwal | CEO & Whole-time Director | 07 | Yes | 02 | Nil | 1,34,120 |

*Independent Directors as defined in Clause 49 of Listing Agreement.

**While considering the total number of the directorships in which a director can serve, all Public Limited Companies, whether listed or not, have been included and all other companies including Private Limited Companies, foreign companies and companies under Section 25 of the Companies Act have been excluded.

DIRECTORS WITH MATERIALLY SIGNIFICANT, PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY

As required under Accounting Standard 18, transactions with related parties are furnished under Note 15 of Schedule 21 – Notes to the Accounts. There are no transactions of material nature with the Promoters, Directors or their relatives, etc. that may have potential conflict with the interest of the Company.

Disclosures have been received from Directors and Senior Management relating to the financial transactions in which they or their relatives may have personal interest. However, none of these transactions have a potential conflict with the interest of the Company at large.

III. COMMITTEES OF THE BOARD

(A) AUDIT COMMITTEE

The Company has the Audit Committee constituted in accordance with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The primary objective of the Audit Committee of the Board of Directors of your Company is to discharge responsibilities relating to accounting and reporting of financial practices adopted by the Company and its subsidiaries, surveillance of internal controls as well as accounting and audit activities.

The terms of reference of the Audit Committee include:

- 1) Review of the Company's financial reporting process and the disclosure of its financial information.
- 2) Recommending the appointment and removal of external auditor.
- 3) Reviewing with management, the periodical financial statements.
- 4) Reviewing with the management, external and internal auditors, the adequacy of internal control systems, frequency of internal audit, significant findings by internal auditors and follow up there on.
- 5) Discussion with external auditors, nature and scope of audit as well as have post-audit discussions.
- 6) Reviewing the Company's financial and risk management policies.
- 7) Reviewing the Whistle Blower Mechanism.
- 8) Reviewing Management Discussion and Analysis Report, Statement of significant related party transactions submitted by the management; Management letters / letters of internal control weaknesses issued by the statutory auditors, if any; Internal audit reports relating to internal control weaknesses.
- 9) Reviewing of financial statements and investments made by subsidiary companies.

COMPOSITION AND MEETINGS

The Audit Committee comprises of three Non-Executive Directors

who are independent and one Executive Director. The representatives of internal and statutory auditors are permanent invitees of the Audit Committee. Mr. Arun Todarwal, Chairman of the Committee (Non-Executive Independent Director) is a Chartered Accountant and has accounting and financial expertise. The other Committee members are financially literate. The quorum of the Committee is two members or one-third of its members, whichever is higher.

The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company. The Audit Committee met four times during the year 2009-10 on April 24 2009, July 20 2009, October 20 2009 and January 18 2010. The composition of the Audit Committee and attendance at Committee meetings is as follows:

| Name | Category | Number of Meetings attended |
|-----------------------------|-----------------------------|-----------------------------|
| Mr. Arun Todarwal, Chairman | Non-Executive & Independent | 04 |
| Mr. Haigreve Khaitan | Non-Executive & Independent | 01 |
| Mr. A. R. Narayanaswamy | Non-Executive & Independent | 04 |
| Mr. Pravin Agarwal | Whole-time Director | 04 |

The Committee meetings are usually attended by the Executive Directors, the Statutory Auditor and the Internal Auditor. The business and operation heads are also invited to the meetings, as required. The Company Secretary acts as the Secretary of the Audit Committee. The Internal Audit function reports to the Audit Committee to ensure its independence.

(B) REMUNERATION/COMPENSATION COMMITTEE

The Remuneration/Compensation Committee discharges the Board's responsibilities relating to compensation of Company's Executive Directors. The Committee has overall responsibility for approving and evaluating the compensation plans, policies and programmes of the Executive Directors. This Committee has also been empowered to administer the Employees Stock Option Scheme 2006 of the Company.

COMPOSITION AND MEETINGS

The Committee comprises of three Non-Executive Directors, who are Independent. Mr. Arun Todarwal is the Chairman of the Committee.

The Committee met three times during the fiscal year 2009-10 on April 24, 2009, June 26, 2009 and August 8, 2009. The Composition of the Remuneration/Compensation Committee and attendance at

Committee meetings is as follows:

| Name | Category | Number of Meetings attended |
|-----------------------------|-----------------------------|-----------------------------|
| Mr. Arun Todarwal, Chairman | Non-Executive & Independent | 02 |
| Mr. Haigreve Khaitan | Non-Executive & Independent | 01 |
| Mr. A. R. Narayanaswamy | Non-Executive & Independent | 03 |

DETAILS OF REMUNERATION PAID TO THE DIRECTORS

Mr. Pravin Agarwal and Dr. Anand Agarwal are the two Executive Directors of the Company. Mr. Pravin Agarwal was appointed as Whole-time Director of the Company for a period of three years with effect from October 30, 2009. As per the terms of appointment, the agreement can be terminated by giving 90 days notice or equivalent

pay by either of the sides. Dr. Anand Agarwal was appointed as Whole-time Director and designated as Chief Executive Officer of the Company for a period of 3 years with effect from July 30, 2009. As per the terms of appointment, the agreement can be terminated by giving 90 days notice or equivalent pay by either of the sides.

A sitting fee of Rs. 20,000/- for attendance at each meeting of the Board and Rs. 10,000/- for Audit Committee, Investors' Grievance Committee and Remuneration/Compensation Committee is paid to its Members (excluding Executive Directors). On September 25, 2006, the Members had approved the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act, 1956, for a period of 5 years commencing from financial year 2006-07. The break-up of remuneration actually paid to directors (excluding provisions, if any) during FY 2009-10 is as follows:

(Rs. in Lacs)

| Director | Salary | Perquisites | Incentive/ Commission | Sitting Fee | Total |
|-------------------------|--------|-------------|-----------------------|-------------|--------|
| Mr. Anil Agarwal | - | - | - | - | - |
| Mr. Arun Todarwal | - | - | 2.50 | 2.20 | 4.70 |
| Mr. Haigreve Khaitan | - | - | 2.50 | 0.80 | 3.30 |
| Mr. A. R. Narayanaswamy | - | - | 2.50 | 2.50 | 5.00 |
| Mr. Pravin Agarwal | 169.34 | 199.07 | 40.19 | - | 408.60 |
| Dr. Anand Agarwal | 30.87 | 83.44 | 35.17 | - | 149.48 |

Notes:

- In 2006, Dr. Anand Agarwal was granted 2,06,500* stock options, each option convertible in one equity share of Rs. 2 each. The first tranche of 41,300*options vested in June 2007, in respect of which equal number of shares were allotted to Dr. Anand Agarwal. During the year under review 57,820*options vested, in respect of which equal number of shares of Rs.2 each were allotted to Dr. Anand Agarwal. During the year under review, Dr. Agarwal has been granted 1,73,000* Stock options, each option convertible in one equity share of Rs. 2 each. *After stock split and bonus issue.
- As approved by the Board of Directors in the meeting held on April 22, 2010, a commission of Rs. 4,00,000/- each is payable to its Non-Executive Independent Directors viz. Mr. Arun Todarwal, Mr. Haigreve Khaitan and Mr. A. R. Narayanaswamy for financial year 2009-10.

(C) SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE

The Shareholders'/Investors' Grievances Committee oversees redressal of shareholders' grievances. The Committee comprises of Mr. A. R. Narayanaswamy (Chairman), Mr. Arun Todarwal and

Mr. Pravin Agarwal as the members. The Company Secretary is the Compliance Officer of the Committee. The Committee met four times during the year 2009-10 on April 24, 2009, July 20, 2009, October 20, 2009 and January 18, 2009. During the year the Company received 357 complaints for various matters like non-receipt of share certificates, non-issue of duplicate certificates, rejection of demat request, etc. All the complaints were resolved by the Company to the satisfaction of investors.

The details of Committee meetings and attendance of Directors are as under:

| Name | Category | No of meetings attended |
|-----------------------------------|-----------------------------|-------------------------|
| Mr. A. R. Narayanaswamy, Chairman | Non-Executive & Independent | 04 |
| Mr. Arun Todarwal | Non-Executive & Independent | 04 |
| Mr. Pravin Agarwal | Whole-time Director | 04 |

IV. PROFILE OF DIRECTORS TO BE REAPPOINTED

1. **Mr. A. R. Narayanaswamy** is an Audit Practitioner & runs a management consultancy catering to the pharmaceutical, chemical, and engineering and hospitality sectors. Mr. Narayanaswamy is a Chartered Accountant by profession and his experience spans over three decades. The details of Mr. A. R. Narayanaswamy for directorships and memberships/chairmanships of committees in other companies are as under:

| | | |
|----|--|---|
| 1. | Date of birth | December 22, 1951 |
| 2. | Date of joining the Board of the Company | April 30, 2007 |
| 3. | Shareholding in the Company either in his own name or in the name of others and having beneficial interest, as on March 31, 2010 | Nil |
| 4. | Directorships including memberships and Chairmanships of Committees | <ol style="list-style-type: none"> 1. The Madras Aluminum Company Ltd <ul style="list-style-type: none"> - Audit Committee (Chairman) - Shareholders & Investors Grievances Committee (Chairman) 2. Hindustan Zinc Ltd <ul style="list-style-type: none"> - Audit Committee (Chairman) - Shareholders & Investors Grievances Committee (Member) 3. IBIS Softec Solutions Pvt Ltd 4. IBIS Logistics Pvt Ltd 5. IBIS Systems and Solutions Pvt Ltd |

2. **Mr. Arun Todarwal** is a Senior Partner of Todarwal & Todarwal, Chartered Accountants based in Mumbai and holds a Bachelors Degree in Commerce and is a member of the Institute of Chartered Accountants of India. Mr. Todarwal has rich and varied experience spanning over two decades in Finance and Accounts. The details of Mr. Arun Todarwal for directorships and memberships of committees in other companies are as under:

| | | |
|----|--|---|
| 1. | Date of birth | June 16, 1957 |
| 2. | Date of joining the Board of the Company | January 25, 2003 |
| 3. | Shareholding in the Company either in his own name or in the name of others and having beneficial interest, as on March 31, 2010 | 625 |
| 4. | Directorships including memberships of Committees | <ol style="list-style-type: none"> 1. The Madras Aluminum Company Ltd <ul style="list-style-type: none"> - Audit Committee (Member) - Shareholders & Investors Grievances Committee (Member) 2. Welspun India Ltd <ul style="list-style-type: none"> - Audit Committee (Member) 3. Welspun Global Brands Ltd <ul style="list-style-type: none"> - Audit Committee (Member) - Shareholders & Investors Grievances Committee (Member) 4. Welspun Investments Ltd <ul style="list-style-type: none"> - Audit Committee (Member) - Shareholders & Investors Grievances Committee (Member) 5. Graviss Hospitality Ltd 6. Graviss Hotels & Resorts Ltd 7. Anuh Pharma Ltd 8. Lakecity Ventures Pvt Ltd |

V. GENERAL BODY MEETINGS

The details of last three Annual General Meetings are as follows:

| Date | Location | Time | Special Resolutions Passed |
|----------------|--|----------|--|
| July 13, 2007 | E-1, MIDC Waluj, Aurangabad 431136 Maharashtra, India | 11:30 am | <ul style="list-style-type: none"> • Appointment of Mr. Pravin Agarwal as Whole time Director. • Change of Name of the Company to 'Sterlite Technologies Limited'. |
| August 8, 2008 | E-1, MIDC Waluj, Aurangabad 431136 Maharashtra, India | 11:00 am | NIL |

| Date | Location | Time | Special Resolutions Passed |
|---------------|--|----------|--|
| July 24, 2009 | E-1, MIDC Waluj, Aurangabad 431136 Maharashtra, India | 11:00 am | <ul style="list-style-type: none"> Appointment of Mr. Pravin Agarwal as Whole time Director. Appointment of Dr. Anand Agarwal as Whole time Director. Issue of 73,00,000 (1,82,50,000)* Warrants to Promoters and its Associates on preferential basis. |

* After share split from Rs. 5 per share to Rs. 2 per share.

All resolutions moved at the last Annual General Meeting were passed by a show of hands by the requisite majority of members attending the meeting. None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot.

Postal Ballot

i) The Company had successfully completed the process of obtaining the approval of its Members under Section 192A of the Companies Act, 1956, pertaining to Special Resolution for alteration of Memorandum of Association of the Company under Section 17 of the Companies Act, 1956 for shifting the Registered Office of the Company from the State of Maharashtra to the Union Territory of Dadra and Nagar Haveli. The results were announced on November 12, 2009.

ii) Voting pattern and procedure for postal ballot:

- The Board of Directors of the Company had, at its meeting held on September 18, 2009, appointed Mr. S. Anand SS Rao, Company Secretary in Practice, as the Scrutinizer for conducting the postal ballot voting process.

- The postal ballot process was carried out in a fair and transparent manner. The postal ballot forms had been kept under the scrutinizer's safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- All postal ballot forms received/receivable up to the close of working hours on November 9 2009, the last date and time fixed by the Company for receipt of the forms, had been considered during scrutiny.
- No envelopes containing the postal ballot forms were received after the close of working hours on November 9, 2009.
- The results of the postal ballot were announced on November 12, 2009 at the Registered Office of the Company as per the Scrutinizer's Report as under :

| Particulars | Number of Postal Ballot forms | Number of Shares | % of total paid up equity capital | % of total votes polled |
|------------------------------------|-------------------------------|------------------|-----------------------------------|-------------------------|
| Total Postal Ballot forms received | 1,895 | 29,983,335 | 46.41 | |
| Less: Invalid Postal Ballot forms | 42 | 29,717 | | |
| Net valid Postal Ballot forms | 1,853 | 29,953,618 | | 100.00 |
| Postal Ballot forms with Assent | 1,734 | 29,938,840 | | 99.95 |
| Postal Ballot forms with Dissent | 119 | 14,778 | | 0.05 |
| Total | 1,853 | 29,953,618 | | |

Details of resolutions passed at the Extra Ordinary General Meetings

| Date | Location | Time | Resolutions Passed |
|-------------------|--|----------|---|
| April 29, 2009 | E-1, MIDC Waluj, Aurangabad 431136 Maharashtra, India | 11:00 am | <ul style="list-style-type: none"> Special Resolution passed for Issue of 6,450,000 (16,125,000)* Warrants to Promoters and its Associates on preferential basis. |
| February 25, 2010 | E-1, MIDC Waluj, Aurangabad 431136 Maharashtra, India | 11:00 am | <ul style="list-style-type: none"> Ordinary resolution for sub-division of shares. Ordinary resolution for increase in authorised capital and amendment of Memorandum of Association. Special resolution for increase in authorised capital and alteration of Articles of Association. Special resolution for issue of bonus shares. Special resolution for issue of further shares. |

* After share split from Rs 5 per share to Rs 2 per share.

VI. DISCLOSURES

i) Disclosures on materially significant related party transactions

There were no transactions with the Promoters, Directors and management during the period, which would have potential conflict with the interests of the Company at large.

ii) Details of non Compliance by the Company, Penalties and Strictures imposed on the Company by Stock Exchange, SEBI or any Statutory Authorities or any matter related to capital market in last three years

There was no non-compliance by the Company and Penalties and Strictures imposed on the Company by Stock Exchange, SEBI or any Statutory Authorities or any matter related to capital market in last three years.

iii) The Company has adopted a 'Whistleblower Policy', which has been communicated to all the employees along with Code of Business Conduct & Ethics. The Whistleblower policy is the mechanism to help the employees to raise their concerns about any malpractice, impropriety, abuse or wrongdoing at an early stage and in the right way, without fear of victimisation, subsequent discrimination or disadvantage. The policy encourages the employees to raise concerns within the Company than overlooking a problem. CEO/COO/ CFO have been designated as Ombudsmen in the policy. The Company has created a special email address to enable the employees to report their concerns. The employees can even report their concerns to the Audit Committee directly. The Ombudsman who is responsible to submit his report to the Audit Committee does the investigation in the reported concerns. Disciplinary action, if required, is determined by the Audit Committee. The reporting person can make appeal to the Board of Directors against the order of Audit Committee. The Whistleblower Policy also contains mechanism of redressal available for an employee, if he/she feels that he/she has been retaliated against due to disclosure of concern. No person has been denied access to the Audit Committee.

iv) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreements executed with the Stock Exchanges. Comments on adoption of non-mandatory requirements are given at the end of this report.

VII. IMPLEMENTATION OF CODE OF CONDUCT

The Company has adopted the 'Code of Business Conduct & Ethics' for its employees at all levels including Senior Management and Directors. The Code has been effective from April 1, 2005 and was circulated to all the employees and directors of the Company and has also been posted on the Company's website. The Code serves

as a guide to the employees of the Company to make informed and prudent decisions and act on them. As required under Clause 49 of the Listing Agreement, the affirmation of compliance with the Code from Directors and Senior Management personnel has been obtained for this financial year.

VIII. COMPLIANCE WITH SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS 2002

Considering the amendments to these Regulations in 2008, the Board of Directors in their meeting held on October 20, 2009 had approved amended code of conduct namely 'Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices' for Directors, Officers and Designated Employees for dealing in shares of the Company. The amended Code is being implemented with effect from October 20, 2009. Various forms have been designed to receive periodical information from the Directors, Officers and Designated Employees of the Company, as required in terms of these Regulations. Further, the Trading Window for dealing in shares of the Company has been closed for the Directors and employees of the Company as per the Insider Trading Code in force in the Company.

IX. SECRETARIAL AUDIT

- Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.
- A qualified practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

X. MEANS OF COMMUNICATION

- Quarterly Financial Results are published in English in the All-India Edition of The Business Standard or The Economic Times and are also published in Marathi or English, in the Aurangabad Edition of Sakal or Lokmat Times.
- Results are also posted on the Company's website: www.sterlitetechnologies.com
- The Company also displays official news releases and the presentations made to institutional investors or to analysts on the website.
- Management Discussion & Analysis is a part of the Annual Report.

XI. GENERAL SHAREHOLDER INFORMATION

| | |
|------------------------|---|
| Annual General Meeting | Day, Date: Wednesday, July 14, 2010 Time: 11.00 a.m. Venue: E-1, MIDC Waluj, Aurangabad 431 136, Maharashtra, India |
| Book Closure Dates: | July 7, 2010 to July 14, 2010 |
| Dividend Payment Date: | Dividend, if declared in the Annual General Meeting will be paid within the statutory time limits. |

Financial Calendar for financial year 2010-11 (Financial Year – Ending March 31)

| | |
|-------------------------------|-----------------------------|
| First Quarter Results | Before end of July, 2010 |
| Half Yearly Results | Before end of October, 2010 |
| Third Quarter Results | Before end of January, 2011 |
| Fourth Quarter/Annual Results | Before end of April, 2011 |

LISTING OF SHARES ON STOCK EXCHANGES

The equity shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). Application for delisting from Calcutta Stock Exchange is pending for approval. Annual listing fees for the financial year ended March 31, 2010 have been paid to Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Stock Codes of the Exchanges are as under:

| Exchange | Code |
|----------|---------|
| BSE | 532374 |
| NSE | STRTECH |

STOCK PRICE DATA

Stock Price data for the period April 1, 2009 to March 31, 2010 was as detailed below –

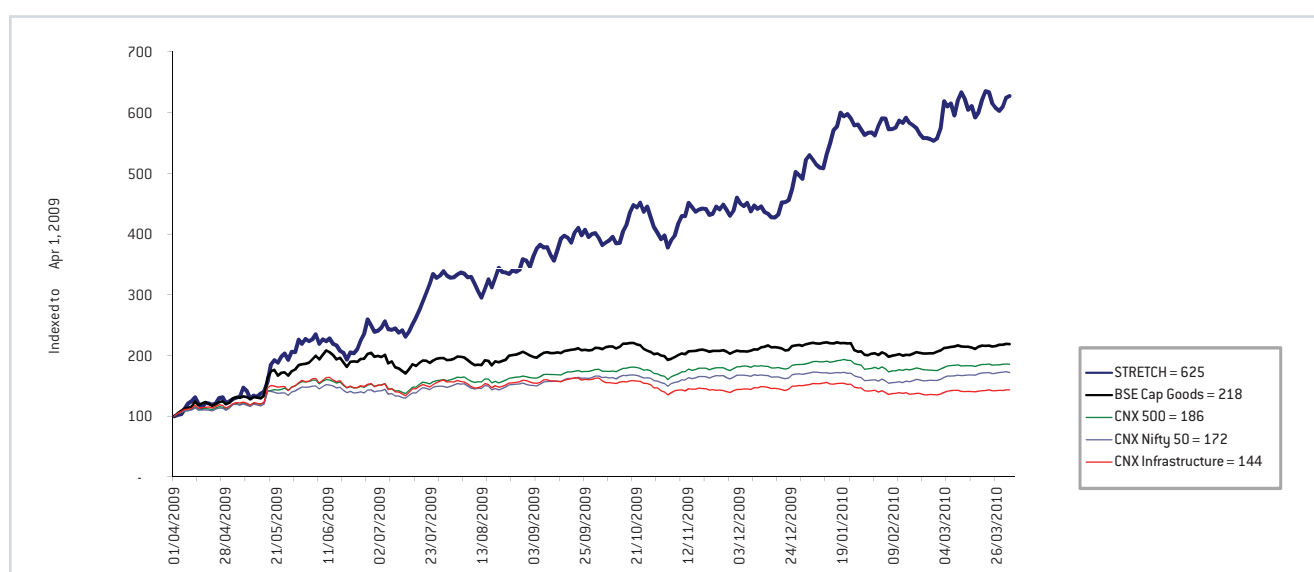
| MONTH | Monthly High (Rs.) NSE | Monthly Low (Rs.) NSE | Monthly High (Rs.) BSE | Monthly Low (Rs.) BSE |
|--------|------------------------|-----------------------|------------------------|-----------------------|
| Apr-09 | 19.8 | 13.4 | 19.7 | 13.8 |
| May-09 | 31.9 | 17.4 | 31.9 | 17.3 |
| Jun-09 | 37.9 | 26.7 | 37.9 | 26.9 |
| Jul-09 | 49.6 | 32.4 | 49.8 | 32.4 |
| Aug-09 | 52.4 | 41.1 | 52.3 | 41.3 |
| Sep-09 | 58.9 | 48.2 | 58.9 | 48.0 |
| Oct-09 | 66.4 | 52.2 | 66.3 | 52.3 |
| Nov-09 | 65.2 | 51.2 | 65.3 | 51.4 |
| Dec-09 | 76.8 | 59.8 | 76.8 | 59.8 |
| Jan-10 | 87.6 | 70.0 | 87.7 | 71.1 |
| Feb-10 | 85.0 | 78.0 | 85.0 | 77.7 |
| Mar-10 | 95.5 | 80.8 | 95.7 | 80.8 |

Sources: Data Compiled from BSE & NSE official website.

Amount has been adjusted after considering the effect of sub-division and bonus issue.

STOCK PERFORMANCE

The performance of the Company's stock prices is given in the charts below:



Distribution of shareholding as at March 31, 2010

| Range Of Shares | Number of Shareholders | % of Shareholders | Number of Shares | % of Equity |
|--------------------|------------------------|-------------------|------------------|-------------|
| 1 to 5,000 | 1,03,563 | 98.12 | 5,58,81,869 | 15.72 |
| 5,001 to 10,000 | 1,084 | 1.03 | 77,33,781 | 2.18 |
| 10,001 to 20,000 | 437 | 0.41 | 63,37,978 | 1.78 |
| 20,001 to 30,000 | 168 | 0.16 | 42,83,678 | 1.20 |
| 30,001 to 40,000 | 57 | 0.05 | 19,96,290 | 0.56 |
| 40,001 to 50,000 | 47 | 0.04 | 22,09,247 | 0.62 |
| 50,001 to 1,00,000 | 74 | 0.07 | 51,32,789 | 1.44 |
| 1,00,001 & Above | 114 | 0.11 | 27,19,42,878 | 76.49 |
| TOTAL | 1,05,544 | 100.00 | 35,55,18,510 | 100.00 |

Equity holding pattern as on March 31, 2010

| Category | As on March 31, 2010 | |
|---|----------------------|-------------|
| | No. of Shares | % to Equity |
| Promoters Group | 17,76,68,045 | 49.97 |
| Directors and their relatives | 10,81,055 | 0.31 |
| Life Insurance Corporation | 2,12,93,925 | 5.98 |
| Insurance Companies | 12,19,325 | 0.34 |
| Unit Trust of India | 1,025 | 0.00 |
| Mutual Funds | 2,19,09,288 | 6.16 |
| Foreign Institutional Investors | 1,67,82,432 | 4.72 |
| NRI/OCB/Foreign Body Corporate/Foreign National | 36,86,924 | 1.04 |
| Indian Financial Institutions/Trusts/HUF | 44,03,567 | 1.24 |
| Bodies Corporate | 2,68,41,560 | 7.55 |
| Banks | 1,64,011 | 0.05 |
| Clearing Members | 5,95,445 | 0.17 |
| Government/Government Companies | 850 | 0.00 |
| Individuals (Public) | 7,98,71,058 | 22.47 |
| TOTAL | 35,55,18,510 | 100.00 |

DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's equity shares are compulsorily traded in the electronic form. As at March 31, 2010, 34,41,79,465 shares representing 96.81% of total equity capital was held in electronic form. The Shareholders can hold the shares in demat form either through NSDL or CDSL. The ISIN number allotted to the Company is INE089C01029.

UNPAID / UNCLAIMED DIVIDEND

In terms of Section 205A and 205C of the Companies Act, 1956, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Unclaimed dividend(s) will be transferred to IEPF, within a period as stipulated under the Companies Act, 1956, as follows:

- Dividend for the year 2005-06: Due for transfer from September 23, 2013
- Dividend for the year 2006-07: Due for transfer from August 17, 2014
- Dividend for the year 2007-08: Due for transfer from September 13, 2015
- Dividend for the year 2008-09: Due for transfer from August 29, 2016

Other facilities of interest to shareholders holding shares in physical form

- A) **Bank details:** Shareholders are requested to notify/send the following to the Company's Registrars and Share Transfer Agents to facilitate better services:
- Any change in their address/mandate/bank details, and
 - Particulars of the bank account in which they wish their dividend to be credited, in case they have not been furnished earlier.
- B) **Nomination facility:** Shareholders, who hold shares in single name and wish to make/change the nomination in respect of their shares as permitted under Section 109A of the Act, may submit to the Registrars and Transfer Agents, the prescribed Form 2B.
- C) Shareholders are advised that respective bank details and address as furnished by them to the Company will be printed on their dividend warrants as a measure of protection against fraudulent encashment.

OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE & LIKELY IMPACT ON EQUITY:

The Company has not issued any GDRs and ADRs and hence there are no outstanding GDRs/ADRs.

On August 8, 2009 and October 8, 2009, the Company has issued 1,61,25,000 share warrants at a price of Rs. 26.00 per warrant and 1,82,50,000 share warrants at a price of Rs. 59.40 per warrant to Twin Star Overseas Limited, a Promoter of the Company, respectively. Of the same on March 29, 2010, 16,125,000 share warrants have been converted into equity shares in the ratio of 1:1 and bonus shares in the ratio of 1:1 have also been given on these shares. The balance warrants outstanding as at the end of the fiscal year aggregating 18,250,000 are convertible within a period of 18 months from the date of its allotment.

SHARE TRANSFER SYSTEM

Two Directors and some Executives of the Company have been given powers to deal with all the matters related to transfers,

transmission, issuance of duplicate share/debenture certificates, split and/or consolidation requests. In addition, the Company Secretary and authorised officials of the Registrar and Transfer Agents of the Company have been given powers to endorse registration of transfers on share certificates. The Company's shares being in compulsory demat list are also transferred through the depository system. The Company has entered into agreements with both the depositories NSDL & CDSL.

Karvy Computershare Private Limited, Hyderabad is the Registrar and Transfer Agent for both physical and electronic mode of transfer of shares. Transfers for shares held in the physical mode are approved on a 10 days cycle. Physical shares sent for transfer are duly transferred within 10 to 15 days of receipt of documents, if found in order. Shares under objection are returned within 7 to 10 days.

REGISTRAR & TRANSFER AGENTS

Karvy Computershare Private Limited, Hyderabad is the Registrar and Transfer Agent of the Company:

Shareholders, beneficial owners and Depository Participants (DPs) can send / deliver the documents / correspondence relating to the Company's share transfer activity, etc to Karvy Computershare Private Limited at the following address:

Karvy Computershare Private Limited
 (Unit – Sterlite Technologies Limited)
 Plot No. 17 to 24, Vittalrao Nagar,
 Madhapur, Hyderabad –500 081
 Andhra Pradesh, India

Tel: +91.40.23420818 / 828
 Fax: +91.40.23420814
 E-mail: einward.ris@karvy.com

Shareholders' correspondence should be addressed to the Company's Registrar and Transfer Agents at the above-mentioned address. Members may also write to the Company Secretary at the Company's office:

Sterlite Technologies Limited
 4th Floor Godrej Millennium
 9 Koregaon Road, Pune - 411 001
 Maharashtra, India

Phone: +91.20.30514000
 Fax: +91.20.26138083

Email: sandeep.deshmukh@sterlite.com

Registered Office:

E-1, MIDC Waluj,
 Aurangabad 431 136,
 Maharashtra, India.

PLANT LOCATIONS

Optical Fiber

E2, E3, MIDC, Waluj, Aurangabad – 431136, Maharashtra, INDIA

Fiber Optic Cables

Survey No. 68/1, Rakholi Village,
Madhuban Dam Road, Silvassa - 396230
Union Territory of Dadra & Nagar Haveli, INDIA

Copper Cables

Survey No. 33/1/1, Waghdera Road, Dadra - 396191
Union Territory of Dadra & Nagar Haveli, INDIA

Power Transmission Conductors

Survey No. 99, Rakholi Village,
Madhuban Dam Road, Silvassa – 396230
Union Territory of Dadra & Nagar Haveli, INDIA
Plot 2D, Sector 10, IIE SIDCUL, Haridwar – 249403, INDIA

The status of compliance in respect of non-mandatory requirements of Clause 49 of Listing Agreement is as follows:

- **THE BOARD**

Mr. Anil Agarwal is the Non-Executive Chairman of the Board. As the Chairman has a separate office, the Company does not reimburse expenses incurred by him for maintenance of a separate Chairman's office. None of the Independent Directors of the Company have tenure, in the aggregate, exceeding a period of nine years, on the Board of a Company. The Company has ensured that all Independent Directors have the requisite qualifications and experience, which would be of use to the Company and which, in its opinion, would enable him to contribute effectively to the Company in his capacity as an independent director.

- **REMUNERATION COMMITTEE**

Details are given under the heading 'Remuneration/ Compensation Committee'.

- **SHAREHOLDER RIGHTS**

The Company publishes its results in the newspapers having nationwide circulation. Also results are uploaded on the Company's website. The copy of results is furnished to

all the shareholders who request for the same. Hence the Company does not circulate the half-yearly results to its shareholders.

- **AUDIT QUALIFICATIONS**

Please refer to the explanation by the Board of Directors in the Directors' Report, on the qualification of auditors on the accounts for the financial year 2009-10.

- **TRAINING OF BOARD MEMBERS**

The Directors interact with the management on any and every information that may be required by them in a very free and open manner. The Independent Directors are encouraged to attend training programmes that may be of relevance and interest to the Directors in discharging their responsibilities to the Company's stakeholders.

- **MECHANISM FOR EVALUATING NON-EXECUTIVE BOARD MEMBERS**

The performance evaluation of Non-Executive Board members is done by the Board annually based on criteria of attendance and contributions at Board/Committee Meetings as also for the role played other than at meetings.

- **WHISTLE BLOWER MECHANISM**

The Company has a Whistle-Blower Policy and the appropriate mechanism in place, which has been discussed in this report.

DECLARATION

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct and Business Ethics of the Company for the Financial Year ended March 31, 2010.

For Sterlite Technologies Limited

Place : Mumbai
Date : April 22, 2010

Anand Agarwal
CEO & Whole-time Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Sterlite Technologies Limited

We have examined the compliance of conditions of Corporate Governance by Sterlite Technologies Limited, for the year ended on March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has

complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

For **S. R. Batliboi & Co.**
Firm Registration No. 301003E
Chartered Accountants

per **Tridibes Basu**
Partner
Membership No.: 17401

Place : Mumbai
Date : April 22, 2010