

## Other Business



### Commercial Energy

Work on the 2,400 MW (600 MW x 4) green field coal based independent thermal power plant at Jharsuguda, Orissa is progressing well. Design and detailed engineering is completed and most of the equipment for the first unit has been received on site. The boiler drums have been erected and construction of turbine generator decks is complete. The cooling tower and chimney construction to support the first unit are nearing completion. The project is on schedule progressive commissioning from Q4 2009.

In respect of our green energy initiative projects, we have commissioned entire 123.2 MW wind power plants and they are working satisfactorily.

### Outlook

FY 2009 was a tumultuous year for the mining sector which witnessed a period of unprecedented buoyancy in commodity prices in the first half, followed by their sharp fall in the second half. The world witnessed several mine closures, production cutbacks and deferral of projects. Despite such negative market sentiments and a depressed outlook for demand, we remain focused on our basic objectives of achieving a least-cost position and developing low capital cost projects. Our focus, as in the past, has always been to continuously strengthen our competitive position through aggressive

cost management, excellent operational efficiencies without sacrificing the long-term growth potential of our business. We expect to deliver higher volumes in all our businesses in FY 2010 on the back of our expansions, ongoing debottlenecking initiatives and continuous improvement in our operational efficiencies. We expect the situation witnessed in the last six months of many high cost operations globally incurring cash losses to get corrected and also expect the market to stabilise in the near future.

We further expect that our intensified focus on cost control will yield results and that we will derive additional benefits from our ongoing programmes to reduce our operating costs. We also see incremental benefits accruing from higher commercial power sales from our operations at BALCO and MALCO.

We aim to complete our ongoing projects on or ahead of schedule and within budgets. A large part of our production is sold in India, where we see continuous growth in consumption in line with a positive GDP outlook. As is typical of all developing economies, the growth rate of metal consumption in India is expected to be ~1.5 times the GDP growth rate.

All these augur well for us and are confident of delivering a good performance in the coming year.



OVERVIEW

BUSINESS  
REVIEWFINANCIAL  
REVIEW

SUSTAINABILITY

BOARD + EXECUTIVE  
COMMITTEECORPORATE  
GOVERNANCEFINANCIAL  
STATEMENTS