

## STERLITE INDUSTRIES (INDIA) LIMITED

Regd. Office: SIPCOT Industrial Complex, Madurai Bye Pass Road, TV Pooram P.O., Tuticorin. Tamilnadu-628002



## UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2009

(Rs. in Lacs except as stated)

S. No.	Particulars	Quarter ended 31.12.2009 (Unaudited)	Quarter ended 31.12.2008 (Unaudited)	Nine Months ended 31.12.2009 (Unaudited)	Nine Months ended 31.12.2008 (Unaudited)	Previous accounting Year ended 31.03.2009 (Audited)	S. No.	Segment Information	Quarter ended 31.12.2009 (Unaudited)	Quarter ended 31.12.2008 (Unaudited)	Nine Months ended 31.12.2009 (Unaudited)	Nine Months ended 31.12.2008 (Unaudited)	Previous accounting Year ended 31.03.2009 (Audited)
1	(a) Net Sales/Income from Operations	667,696	444,555	1,729,953	1,680,809	2,114,422	1	<b>Segment Revenue</b>					
	(b) Other Operating Income	6,978	9,065	15,513	23,427	30,418	a)	Copper	338,792	229,325	899,532	851,325	1,061,632
	<b>Total Income</b>	<b>674,674</b>	<b>453,620</b>	<b>1,745,466</b>	<b>1,704,236</b>	<b>2,144,840</b>	b)	Aluminium	69,325	83,617	193,688	312,078	393,360
2	Expenditure						c)	Zinc & Lead	220,254	101,740	545,961	435,592	560,297
	a. (Increase)/decrease in stock in trade and work in progress	(10,421)	34,162	(60,747)	33,146	28,021	d)	Power	25,749	1,401	59,862	6,167	7,730
	b. Consumption of raw materials#	342,214	215,523	920,966	805,544	1,027,842	e)	Others	16,683	33,732	46,654	104,997	121,102
	c. Purchases of traded goods	37	2,769	9,322	2,850	7,570		<b>Total</b>	<b>670,803</b>	<b>449,815</b>	<b>1,745,697</b>	<b>1,710,159</b>	<b>2,144,121</b>
	d. Employees Cost	23,976	20,125	61,863	57,695	75,608	Less:	Inter Segment Revenues	3,107	5,260	15,744	29,350	29,699
	e. Depreciation	17,821	16,538	52,524	49,750	70,067		<b>Net Sales/Income from Operations</b>	<b>667,696</b>	<b>444,555</b>	<b>1,729,953</b>	<b>1,680,809</b>	<b>2,114,422</b>
	f. Power, Fuel & Water	52,979	56,372	146,054	165,693	213,183	2	<b>Segment Results</b>					
	g. Other expenditure	88,673	68,142	252,168	222,393	291,785		(Profit before tax & interest)					
	<b>h. Total</b>	<b>515,279</b>	<b>413,631</b>	<b>1,382,150</b>	<b>1,337,071</b>	<b>1,714,076</b>	a)	Copper	14,437	9,976	41,021	69,479	112,965
3	<b>Profit from Operations before Other Income, Interest &amp; Exceptional Items</b>	<b>159,395</b>	<b>39,989</b>	<b>363,316</b>	<b>367,165</b>	<b>430,764</b>	b)	Aluminium	8,253	10,950	22,662	73,514	68,567
4	<b>Other Income</b>	<b>37,153</b>	<b>58,523</b>	<b>113,860</b>	<b>145,612</b>	<b>185,008</b>	c)	Zinc & Lead	130,593	23,324	299,908	205,941	256,770
5	<b>Profit before Interest &amp; Exceptional Items</b>	<b>196,548</b>	<b>98,512</b>	<b>477,176</b>	<b>512,777</b>	<b>615,772</b>	d)	Power	10,898	1,600	26,047	3,208	3,320
6	Interest & Finance Charges	9,289	12,196	22,174	26,611	39,728	e)	Others	974	(2,551)	(373)	20,279	23,496
7	Profit after Interest but before Exceptional Items	187,259	86,316	455,002	486,166	576,044		<b>Total</b>	<b>165,155</b>	<b>43,299</b>	<b>389,265</b>	<b>372,421</b>	<b>465,118</b>
8	Exceptional expenses/(income)	27,353	1,454	29,695	2,454	(5,531)	Less:	Interest & Finance Charges	9,289	12,196	22,174	26,611	39,728
9	<b>Profit from Ordinary Activities before tax after Exceptional Items</b>	<b>159,906</b>	<b>84,862</b>	<b>425,307</b>	<b>483,712</b>	<b>581,575</b>	Add:	Other unallocable income net off expenses	31,393	55,213	87,911	140,356	150,654
10	Tax expenses including Current & Deferred	29,034	11,630	78,015	78,861	85,503	Less:	Exceptional expenses/(Income) (Refer Note no. 3 )	27,353	1,454	29,695	2,454	(5,531)
11	Net Profit from Ordinary activities after Tax	130,872	73,232	347,292	404,851	496,072		<b>Profit before Tax</b>	<b>159,906</b>	<b>84,862</b>	<b>425,307</b>	<b>483,712</b>	<b>581,575</b>
12	Extraordinary Items (net of tax)	-	-	-	-	-							
13	<b>Net Profit for the period after Exceptional Items</b>	<b>130,872</b>	<b>73,232</b>	<b>347,292</b>	<b>404,851</b>	<b>496,072</b>							
14	Minority Interest	48,030	17,197	116,996	106,142	126,714							
15	Share in the Profit/(Loss) of Associates	(9,709)	(4,663)	5,988	(4,535)	(15,359)							
16	<b>Net Profit after tax attributable to Consolidated Group after Exceptional Items</b>	<b>73,133</b>	<b>51,372</b>	<b>236,284</b>	<b>294,174</b>	<b>353,999</b>							

17	Paid-up equity share capital (Face value of Rs. 2 each)	<b>16,808</b>	14,170	<b>16,808</b>	14,170	<b>14,170</b>	<b>3</b>	<b>Capital Employed</b> (Segment Assets less Segment Liabilities)						
18	Reserves excluding Revaluation Reserves (As per previous year's Balance Sheet)					<b>2,547,169</b>								
19	Earning Per Share (EPS) (Rs.) (Not Annualised)* Basic and Diluted EPS	<b>8.70 *</b>	7.25 *	<b>30.03 *</b>	41.52 *	<b>49.96</b>	a)	Copper	<b>326,418</b>	434,032	<b>326,418</b>	434,032	<b>369,260</b>	
20	Public Shareholding (Excluding shares against which ADRs are issued)	<b>270,755,114</b>	190,714,784	<b>270,755,114</b>	190,714,784	<b>199,278,574</b>	b)	Aluminium	<b>573,453</b>	475,981	<b>573,453</b>	475,981	<b>473,089</b>	
							c)	Zinc & Lead	<b>686,940</b>	501,627	<b>686,940</b>	501,627	<b>520,864</b>	
	Number of Shares						d)	Power	<b>604,384</b>	360,097	<b>604,384</b>	360,097	<b>461,455</b>	
	Percentage of Shareholding	<b>32.22%</b>	26.92%	<b>32.22%</b>	26.92%	<b>28.13%</b>	e)	Others	<b>32,624</b>	46,075	<b>32,624</b>	46,075	<b>39,490</b>	
							f)	Unallocable	<b>2,149,661</b>	1,371,181	<b>2,149,661</b>	1,371,181	<b>1,378,526</b>	
								<b>Total</b>	<b>4,373,480</b>	3,188,993	<b>4,373,480</b>	3,188,993	<b>3,242,684</b>	
21	Promoters & promoter group Shareholding													
(a)	<b>Pledged/Encumbered</b>													
	- Number of Shares	-	Not applicable	-	Not applicable	-								
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	Not applicable	-	Not applicable	-								
(b)	<b>Non-encumbered</b>													
	- Number of Shares	<b>437,177,548</b>	Not applicable	<b>437,177,548</b>	Not applicable	<b>433,537,358</b>								
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	<b>100.00%</b>	Not applicable	<b>100.00%</b>	Not applicable	<b>100.00%</b>								
	- Percentage of shares (as a % of the total share capital of the Company)	<b>52.02%</b>	Not applicable	<b>52.02%</b>	Not applicable	<b>61.19%</b>								
	# Comprises (net) of exchange (gain)/loss - Rs. (13,884) lacs in Q3 FY 2010, Rs. (18,600) lacs in nine months ended 31st December 2009, Rs. 26,803 lacs in Q3 FY 2009, Rs. 48,318 lacs in nine months ended 31st December 2008 and Rs.62,236 lacs in FY 2008-09.													

**Notes:-**

- 1 The standalone & consolidated results for the quarter and nine months ended 31st December 2009 have been reviewed by Audit Committee and approved and taken on record by the Board of Directors at their respective meeting held on 25th January 2010.
- 2 The Company opted to publish only Consolidated Financial results. The standalone results of the Company will be available on Company's website www.sterlite-industries.com.
- 3 Exceptional Expenses/(Income) includes the following :
  - a) On 13th November 2009, the US District Court confirmed the re-organisation plan proposed by ASARCO's parent company and rejected the plan proposed by ASARCO and sponsored by the Company's wholly owned subsidiary, Sterlite (USA) Inc. The Company has preferred to file an appeal against the order of US District Court.
  - b) Subsequently, the Bankruptcy Court also approved the motion of ASARCO to terminate the settlement and Purchase and Sale Agreement (PSA) and allow it to draw on the USD 50 million Letter of Credit. The Company has contested the same and has filed an application before the Bankruptcy Court for refund of USD 50 million drawn down by ASARCO and payment of compensation for legal expenses. However, out of abundant prudence, the Company has provided Rs. 27,353 lacs (being the USD 50 million referred to above and other expenses related thereto) as exceptional item in the quarter and nine months ended 31st December 2009. Based on the legal advice the Company has treated these expenses as deductible in computing tax expense for the period.
  - c) Exceptional item for the nine months ended 31st December 2009 includes Rs. 2,342 lacs paid/payable under Voluntary Retirement Scheme at a subsidiary engaged in aluminium operations.
  - d) Exceptional items of Rs 1,454 lacs for the quarter and Rs 2,454 lacs for nine months ended 31st December 2008 represents the difference between the loss on sale of the preference shares(Pursuant to BIFR approval to draft the rehabilitation scheme of India Foils Limited) and the reversal of the provision made in earlier periods.
- 4
  - a) Consolidated Financial Statements have been prepared in accordance with the Accounting Standard 21 - "Consolidated Financial Statements and Accounting for Investments in Subsidiaries in Separate Financial Statements". The subsidiaries consolidated are Bharat Aluminium Company Limited, Sterlite Opportunities and Ventures Limited, Hindustan Zinc Limited, Sterlite Energy Limited, Monte Cello BV, Copper Mines of Tasmania Pty. Limited, Thalanga Copper Mines Pty. Limited, Sterlite Paper Limited, Fujairah Gold FZE, Talwandi Sabo Power Limited and Sterlite (USA) Inc.
  - b) An associate, Vedanta Aluminium Limited, in which the Company has significant influence, is accounted under the equity method in accordance with Accounting Standard 23 "Investment in Associates in Consolidated Financial Statements".
  - c) Sterlite Paper Limited, a wholly owned subsidiary of the Company has amended its Objects clause with effect from 26th November 2009 to include the business of executing Infrastructure projects.
  - d) During the quarter, the Company has invested Rs.1,749 lacs in equity shares of Sterlite Energy Limited, its wholly owned Subsidiary. Sterlite Energy Limited has filed a Draft Red Herring Prospectus with SEBI on 30th October 2009 with respect to proposed initial public offering aggregating upto Rs 5,10,000 lacs.
- 5 Consistent with the treatment followed in earlier years, investment in equity shares of a power Company has been considered as an intangible asset. This has resulted in an additional amortisation charge of Rs. 116 lacs and Rs.350 lacs for the quarter and nine months ended 31st December 2009 respectively and the net profit after tax for the quarter and nine months being lower by Rs. 77 lacs and Rs. 231 lacs respectively. This treatment, being in preference to the requirements of Accounting Standards, has been reported on by the Auditors.
- 6 Arising from the announcement of the Institute of Chartered Accountants of India (ICAI) on 29th March, 2008, the Company had adopted Accounting Standard (AS) 30 – 'Financial Instruments: Recognition and Measurement' effective from accounting year ended 31st March 2008. The Company had during the quarter ended 31st December 2009 raised USD 500 million through issue of 4% Convertible Senior Notes (Notes) of USD 1000 each at an initial conversion price of USD 23.33 per ADS. The Notes are convertible into 42.8688 ADSs per Note subject to adjustment in certain events. As per AS 30, at inception, the issue proceeds of the Notes should be allocated to the conversion option (which is an embedded derivative) with the residual allocated to the Notes to establish its initial carrying cost. Subsequently, the conversion option should be measured at fair value through profit and loss with changes in fair value to be recognised in the Profit and Loss account, and the Notes to be carried at amortised cost. However, the Company has restated the Notes at the period end exchange rate (in accordance with otherwise applicable standards) and chosen not to account for the conversion option separately and, accordingly, the full proceeds have been allocated to the Notes, as the Company intend
- 7 As per Accounting Standard 17 on Segment Reporting (AS 17), the Company has reported "Segment Information", as described below: -  
The main business segment are, (a) Copper which consist of mining of copper concentrate, manufacturing of copper cathode and continuous cast copper rod, (b) Aluminium which consist of mining of bauxite and manufacturing of various aluminium products and (c) Zinc which consists of mining of ore and manufacturing of zinc ingots and lead ingots (d) Power which consists of Power excluding captive power but including power facilities predominantly engaged in generation and sale of commercial power and (e) Other business segment comprise of Phosphoric Acid, Paper etc. The assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.
- 8 The above results are prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 (AS 25 – Interim Financial Reporting) and have been subjected to "Limited Review" by the Auditors of the Company.
- 9 In terms of Clause 41 of the Listing Agreement, details of number of investor complaints for the quarter ended 31st December 2009: Beginning 2, Received 17, Disposed off 12, Pending 7.
- 10 Previous Period/Year figures have been regrouped / re-arranged wherever necessary.

By order of the Board

Place: Mumbai  
Dated : 25th January, 2010

Anil Agarwal  
Chairman