

July 25, 2011

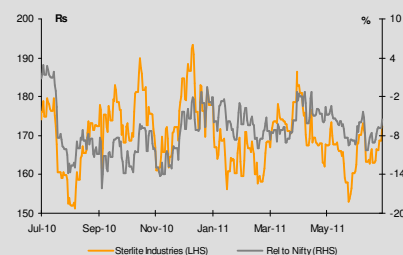
Reco	Previous Reco
Accumulate	Accumulate
CMP	Target Price
Rs 172	Rs 203
EPS change FY12E/13E (%)	-13/-7
Target Price change (%)	-7%
Nifty	5,680
Sensex	18,871

### Price Performance

(%)	1M	3M	6M	12M
Absolute	8	(3)	(3)	(1)
Rel. to Nifty	4	0	(2)	(5)

Source: Bloomberg

### Relative Price Chart



Source: Bloomberg

### Stock Details

Sector	Metals & Mining
Bloomberg	STLT@IN
Equity Capital (Rs mn)	3361
Face Value(Rs)	1
No of shares o/s (mn)	3361
52 Week H/L	196/149
Market Cap (Rs bn/USD mn)	580/13,065
Daily Avg Volume (No of sh)	1024311
Daily Avg Turnover (US\$mn)	3.9

### Shareholding Pattern (%)

	Jun'11	Mar'11	Dec'10
Promoters	53.2	52.8	52.8
FII/NRI	26.4	26.7	27.0
Institutions	8.3	8.6	8.3
Private Corp	6.0	5.7	5.8
Public	6.1	6.1	6.2

Source: Capitaline

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- **Q1FY12 performance in line with estimates. Topline grew by 65% YoY but fell 2% QoQ to Rs 98.6 bn. Strong LME has been the key driver for higher revenue**
- **EBITDA came at Rs 27.6 bn showing a YoY growth of 84%. On QoQ however it fell by 10% on account of higher cost of production in Aluminium and power business**
- **Higher depreciation and interest costs during the quarter restricted the PAT at Rs 16.4 bn, up by 63% YoY however down by 15% QoQ**
- **Despite better performance by the HZL, uncertainty remains on the other businesses coupled with rising costs. We revise our SOTP target price to Rs 203/ share; Maintain Accumulate**

### Zinc business: continues the good show- to remain key growth driver

Zinc business, both in India as well as internationally continue to be the major driver of the overall good performance of the company. After good show by HZL, zinc international also surprised positively with an EBITDA of Rs 5.2 bn against our estimate of Rs 4.4 bn. We believe both HZL and zinc international to continue to be the key performance driver for the company in foreseeable future.

### Strong realizations made up for lower volume in aluminium and copper

Base metals prices though slipped slightly on QoQ maintained fair strength during the quarter. This supported the company's topline to remain flat on QoQ basis despite drop in volume in its aluminium and copper business. During the quarter, average LME for copper and aluminium stood at US\$9125/ tonne and US\$2600/ tonne respectively. Copper sales during the quarter fell by 12% to 72,032 tonnes while aluminium production at Balco came at 61,000 tonnes, down slightly both YoY and QoQ. We believe copper and aluminium volume to remain subdued going forward also.

### Cost escalation to pose challenges

Rising costs continue to put pressure on the margins of all the businesses. Aluminium business has been the worst victim of higher coal costs. The cost of production of aluminium at Balco came at US\$1981/ tonne (Rs 88642) against US\$1781/ tonne (Rs 80570) during Q4FY11 and US\$1813/ tonne (Rs 82818) for Q1FY11. For VAL the CoP rose to US\$2344/ tonne against US\$1895/ tonne in Q1FY11 and US\$2089/ tonne during Q4FY11. In power business, the blended average cost of generation stood at Rs 2.6/ unit, up by Rs 0.81/ unit QoQ and Re 1/ unit YoY. Particularly in SEL the generation costs remained even higher at Rs 2.86/ unit during Q1FY12 mainly on account of higher coal prices. We feel the high cost scenario continue to be the biggest concern going forward till there is some better solution for sourcing of coal.

### Outlook and Valuations

At the CMP of Rs 172, the stock is trading at 8.9x FY12E EPS and 7.3x FY13E EPS. On EV/ EBITDA basis the stock is trading at 5.1x and 3.6x on FY12E and FY13E respectively. Valuing all the metals businesses on FY13E EV/ EBITDA basis and power business on DCF method, our revised SOTP target price for the stock remains at Rs 203/ share. We maintain ACCUMULATE rating on the stock.

### Financials

	(Rs mn)									
YE-	Net	EBITDA		EPS	EPS	RoE		EV/		
Mar	Sales	(Core)	(%)	APAT	(Rs)	% chg	(%)	P/E	EBITDA	P/BV
FY10	246,825	63,439	25.7	40,407	11.1	5.7	12.9	15.4	6.8	1.6
FY11	304,432	80,635	26.5	50,993	15.0	34.4	12.9	11.5	7.6	1.4
FY12E	398,501	115,587	29.0	65,143	19.4	29.5	14.7	8.9	5.1	1.2
FY13E	463,525	142,514	30.7	79,687	23.7	22.3	15.7	7.3	3.6	1.1

## Key Financials – Quarterly (Consolidated)

(Rs mn)	Q1FY11	Q2FY11	Q3FY11	Q4FY11	Q1FY12	YoY (%)	QoQ (%)	YTD'12	YTD'11	YoY (%)
<b>Revenue</b>	<b>59,703</b>	<b>60,844</b>	<b>83,325</b>	<b>100,561</b>	<b>98,607</b>	<b>65.2</b>	<b>(1.9)</b>	<b>98,607</b>	<b>59,703</b>	<b>65.2</b>
<b>Expenditure</b>	<b>(44,729)</b>	<b>(45,554)</b>	<b>(63,538)</b>	<b>(69,976)</b>	<b>(71,023)</b>	<b>58.8</b>	<b>1.5</b>	<b>(71,023)</b>	<b>(44,729)</b>	<b>58.8</b>
<i>as % of sales</i>	<i>74.9</i>	<i>74.9</i>	<i>76.3</i>	<i>69.6</i>	<i>72.0</i>			<i>72.0</i>	<i>74.9</i>	
Consumption of RM	(32,374)	(33,449)	(49,708)	(52,159)	(45,942)	41.9	(11.9)	<b>(45,942)</b>	<b>(32,374)</b>	41.9
<i>as % of sales</i>	<i>54.2</i>	<i>55.0</i>	<i>59.7</i>	<i>51.9</i>	<i>46.6</i>			<i>46.6</i>	<i>54.2</i>	
Employee Cost	(2,837)	(2,225)	(2,579)	(3,675)	(3,850)	35.7	4.8	<b>(3,850)</b>	<b>(2,837)</b>	35.7
<i>as % of sales</i>	<i>4.8</i>	<i>3.7</i>	<i>3.1</i>	<i>3.7</i>	<i>3.9</i>			<i>3.9</i>	<i>4.8</i>	
Other expenditure	(9,518)	(9,880)	(11,250)	(14,142)	(21,231)	123.0	50.1	<b>(21,231)</b>	<b>(9,518)</b>	123.0
<i>as % of sales</i>	<i>15.9</i>	<i>16.2</i>	<i>13.5</i>	<i>14.1</i>	<i>21.5</i>			<i>21.5</i>	<i>15.9</i>	
<b>EBITDA</b>	<b>14,974</b>	<b>15,289</b>	<b>19,787</b>	<b>30,585</b>	<b>27,584</b>	<b>84.2</b>	<b>(9.8)</b>	<b>27,584</b>	<b>14,974</b>	<b>84.2</b>
Depreciation	(2,170)	(2,123)	(2,488)	(3,520)	(4,200)	93.5	19.3	<b>(4,200)</b>	<b>(2,170)</b>	93.5
<b>EBIT</b>	<b>12,803</b>	<b>13,166</b>	<b>17,299</b>	<b>27,065</b>	<b>23,384</b>	<b>82.6</b>	<b>(13.6)</b>	<b>23,384</b>	<b>12,803</b>	<b>82.6</b>
Other Income	6,915	5,779	4,776	7,254	8,416	21.7	16.0	<b>8,416</b>	<b>6,915</b>	21.7
Interest	(1,409)	3	(705)	(1,041)	(1,740)	23.5	67.1	<b>(1,740)</b>	<b>(1,409)</b>	23.5
<b>PBT</b>	<b>18,310</b>	<b>18,948</b>	<b>21,370</b>	<b>33,278</b>	<b>30,060</b>	<b>64.2</b>	<b>(9.7)</b>	<b>30,060</b>	<b>18,310</b>	<b>64.2</b>
Total Tax	(3,685)	(4,555)	(4,214)	(5,663)	(6,137)	66.6	8.4	<b>(6,137)</b>	<b>(3,685)</b>	66.6
<b>Adjusted PAT</b>	<b>14,625</b>	<b>14,392</b>	<b>17,156</b>	<b>27,616</b>	<b>23,923</b>	<b>63.6</b>	<b>(13.4)</b>	<b>23,923</b>	<b>14,625</b>	<b>63.6</b>
(Profit)/loss from JV's/Ass/MI	(4,541)	(4,100)	(6,104)	(8,050)	(7,481)	64.7	(7.1)	(7,481)	<b>(4,541)</b>	64.7
<b>Adj.PAT after MI</b>	<b>10,084</b>	<b>10,292</b>	<b>11,052</b>	<b>19,566</b>	<b>16,443</b>	<b>63.1</b>	<b>(16.0)</b>	<b>16,443</b>	<b>10,084</b>	<b>63.1</b>
Extra ordinary items	-	(212)	(41)	(316)	44	-	-	44	-	-
<b>Reported PAT</b>	<b>10,084</b>	<b>10,080</b>	<b>11,011</b>	<b>19,250</b>	<b>16,398</b>	<b>62.6</b>	<b>(14.8)</b>	<b>16,398</b>	<b>10,084</b>	<b>62.6</b>
<b>Reported EPS</b>	<b>3.0</b>	<b>3.0</b>	<b>3.3</b>	<b>5.8</b>	<b>4.9</b>	<b>64.1</b>	<b>(16.0)</b>	<b>4.9</b>	<b>3.0</b>	<b>64.1</b>

Margins (%)						(bps)	(bps)			(bps)
EBIDTA	25.1	25.1	23.7	30.4	28.0	289	(244)	28.0	25.1	289
EBIT	21.4	21.6	20.8	26.9	23.7	227	(320)	23.7	21.4	227
EBT	30.7	31.1	25.6	33.1	30.5	(18)	(261)	30.5	30.7	(18)
PAT	24.5	23.7	20.6	27.5	24.3	(24)	(320)	24.3	24.5	(24)
Effective Tax rate	20.1	24.0	19.7	17.0	20.4	29	340	20.4	20.1	29

**Segment result – Q1FY12**

<b>Segment Results (Rs mn)</b>	<b>Q1FY11</b>	<b>Q2FY11</b>	<b>Q3FY11</b>	<b>Q4FY11</b>	<b>Q1FY12</b>
<b>Segment Revenue</b>					
Copper	29059.1	29069.7	45301.7	48155.7	45039.2
Aluminium	6659.3	7179.7	8023.4	8382.4	7566.7
Zinc & Lead	19277.2	21455.4	27431.4	40234.5	38446
Power	2586.7	1627.6	1323.1	2230.9	6146.4
Others	2207.9	1409.1	1248.6	1325.4	1629.2
<b>Total</b>	<b>59790.2</b>	<b>60741.5</b>	<b>83328.2</b>	<b>100328.9</b>	<b>98827.5</b>
Less: Inter Segment revenue	545.2	451.7	385.0	326.3	587.5
<b>Net Sales/Income from operations</b>	<b>59245</b>	<b>60289.8</b>	<b>82943.2</b>	<b>100002.6</b>	<b>98240</b>
<b>Segment Results (EBIT/PBIT)</b>					
Copper	1877.5	1578.6	1942.8	2979.5	2910.8
Aluminium	496.5	1257.7	1194.2	1952.7	1593.9
Zinc & Lead	9050.5	10028.8	14296.9	21851.3	18125.9
Power	1174.9	567.2	191.5	476	865.7
Others	427	116.8	-70.6	92.1	162.2
<b>Total</b>	<b>13026.4</b>	<b>13549.1</b>	<b>17554.8</b>	<b>27351.6</b>	<b>23658.5</b>
Other unallocable income/expenses (net)	6691.6	5395.2	4520.4	6967.9	8140.7
<b>Total</b>	<b>19718</b>	<b>18944.3</b>	<b>22075.2</b>	<b>34319.5</b>	<b>31799.2</b>
Less: Interest & Financial charges	1408.5	-3.2	705.4	1041.2	1739.8
Less: Exceptional charges	0	211.6	41.0	315.6	44.2
<b>Profit before tax (PBT)</b>	<b>18309.5</b>	<b>18735.9</b>	<b>21328.8</b>	<b>32962.7</b>	<b>30015.2</b>
<b>Copper EBIT %</b>	<b>6.5</b>	<b>5.4</b>	<b>4.3</b>	<b>6.2</b>	<b>6.5</b>
<b>Aluminium EBIT %</b>	<b>7.5</b>	<b>17.5</b>	<b>14.9</b>	<b>23.3</b>	<b>21.1</b>
<b>Zinc &amp; Lead EBIT %</b>	<b>46.9</b>	<b>46.7</b>	<b>52.1</b>	<b>54.3</b>	<b>47.1</b>
<b>Power &amp; Others %</b>	<b>45.4</b>	<b>34.8</b>	<b>14.5</b>	<b>21.3</b>	<b>14.1</b>

## Key takeaways

### Zin/ Lead Business

- Refined zinc production at 193,000 tonnes was 17% up YoY due to enhanced contribution from Dariba Hydro smelter, refined lead production at 16,000 tonnes 6.6% up QoQ. Refined Silver production at 47,000 kg was 8.0% higher YoY, due to increase in contribution from SK mine
- Higher contributions from SK mine offset due to unplanned maintenance shutdown of the primary crusher at Rampura Agucha
- CoP of zinc at Hindustan zinc was at US\$874/ tonne without royalty, higher than US\$808/ tonne during Q4FY11
- Zinc international surprised positively with revenue of Rs 10.6 bn, EBITDA of Rs 5.2 bn and PAT of Rs 3.2 bn. Mined metal content was reported 80000 tonnes while refined metal volume stood at 39000 tonnes during the quarter

### Copper Business

- Copper cathode production fell to 74,350 tonne as against 80,168 tonnes during Q4FY11 and 77,112 tonne during Q1FY11
- Net cost of production stood at USc -2.9/lb compared to USc6.9/lb in the corresponding quarter previous year, mainly on account of higher by-product credits and improved metal recovery credit
- TcRc in copper business rose to USc13.9/ lb in Q1FY12 compared to USc11.27/ lb in Q4FY11

### Aluminium Business

- Production at Balco has been reported flat at 61,000 tonne, whereas, for VAL aluminium production stood at 112 kt (77 kt in Q1FY11 and 108 kt in Q4FY11). Alumina production at VAL stood at 224 kt (204 kt in Q1FY11 and 184 kt in Q4FY11)
- Cost of production of aluminium at Balco came at US\$1,981/ tonne compared to US\$1,813/ tonne in Q1FY11 while for VAL the CoP of aluminium rose sharply to US\$2344/ tonne as against US\$1895/ tonne in Q1FY11 mainly on account of higher alumina prices and increase in coal costs (approx US\$150/ tonne)
- The cost of Alumina production at VAL stood at US\$347/ tonne as compared with US\$317/tonne in Q1FY11
- Due to a power outage at the Jharsuguda 500 kt aluminium smelter in June 2011, around 170 pots were impacted, which is likely to be revived subsequently with a total cost of US\$2 mn

### Energy Business

- Power sales were 1,652 MU, significantly higher compared with 480 MU in the corresponding prior quarter, mainly on account of higher contribution from SEL
- SEL sold 1,123 mn units of power during the quarter. The CoP of power generation at SEL stood at Rs 2.86/ unit as compared to the blended average CoP of power generation of Rs 2.6/ unit during the quarter

### Others

- The company has total debt of ~Rs 130 bn at the end of Q1FY12 with cash and cash equivalents of Rs 22.93 bn
- Sterlite Industry has injected Rs 10 bn in VAL and the total funding in VAL by Sterlite at present stands at Rs 95.15 bn including 5.76 bn of equity

**Valuation: despite strength in zinc uncertainty persists in other businesses**

Hindustan zinc has been the backbone for Sterlite Industry's recent robust performance. However, the next growth driver for the company should be Sterlite Energy and zinc international. Slow progress in the energy business also has been a drag for the company's overall performance. Aluminium business on the other hand continues to be under concerns of rising coal costs and sourcing of bauxite. Standalone copper business though has been operating with some stability, its contribution to the bottomline. Taking into account rising costs scenario and thereby pressure on the margins, we have cut our EPS estimates by 13% and 7% respectively for FY12E and FY13E.

**Revised estimates**

(Rs mn)	FY12E			FY13E		
	Revised	Previous	Change (%)	Revised	Previous	Change (%)
Revenue	398501	401453	-0.7	463525	422628	9.7
EBITDA	115587	121010	-4.5	142514	136551	4.4
APAT	65026	74910	-13.0	79570	85971	-7.4
EPS (Rs)	19.4	22.3	-13.0	23.7	25.6	-7.4

At the CMP of Rs 172, the stock is trading at 8.9x FY12E EPS and 7.3x FY13E EPS. On EV/ EBITDA basis the stock is trading at 5.1x and 3.6x on FY12E and FY13E respectively. Valuing all the metals businesses on FY13E EV/ EBITDA basis (with 10% holding company discount for HZL and Balco) and power business on DCF method, our revised SOTP target price for the stock remains at Rs 203/ share. We maintain ACCUMULATE rating on the stock.

**Valuation**

Entity	FY13E EBITDA	EV/EBITDA Multiple	EV	Implied Equity Value	SIIL Stake	Attributable Equity Value	Value/Share
Hindustan Zinc	75565.7	6.5	491177.1	732856.7	64.9%	428061.6	127
Copper	7105.2	6.0	42631.1	42877.9	100%	42877.9	13
BALCO	16315.8	6.5	106052.9	81273.5	51%	37304.5	11
Scorpion zinc	7489.1	5.0	37445.5	37445.5	100%	37445.5	11
Lisheen zinc	7990.9	5.0	39954.3	39954.3	100%	39954.3	12
Black Mountain	2323.0	5.0	11614.8	11614.8	75%	8711.1	3
VAL	7983.7	6.5	51894.2	--	29.5%	--	--
SEL							26
<b>Total</b>							<b>203</b>

## Financials (consolidated)

## Income Statement

Y/E, Mar (Rs. mn)	FY10	FY11	FY12E	FY13E
<b>Net Sales</b>	<b>246,825</b>	<b>304,432</b>	<b>398,501</b>	<b>463,525</b>
<i>Growth (%)</i>	<i>15.1</i>	<i>23.3</i>	<i>30.9</i>	<i>16.3</i>
<b>Expenditure</b>	<b>183,386</b>	<b>223,797</b>	<b>282,914</b>	<b>321,011</b>
Raw Materials	121,686	143,895	183,894	208,657
Employee Cost	8,540	11,317	14,146	16,051
Other Exp	33626	44790	50925	57782
<b>EBITDA</b>	<b>63,439</b>	<b>80,635</b>	<b>115,587</b>	<b>142,514</b>
<i>Growth (%)</i>	<i>26.7</i>	<i>27.1</i>	<i>43.3</i>	<i>23.3</i>
<b>EBITDA margin (%)</b>	<b>25.7</b>	<b>26.5</b>	<b>29.0</b>	<b>30.7</b>
Depreciation	7498	10301	16813	18707
<b>EBIT</b>	<b>55,941</b>	<b>70,334</b>	<b>98,774</b>	<b>123,807</b>
<b>EBIT margin (%)</b>	<b>22.7</b>	<b>23.1</b>	<b>24.8</b>	<b>26.7</b>
Other Income	16872	24723	26423	32094
Interest expenses	3424	3152	7917	9577
<b>PBT</b>	<b>69,390</b>	<b>91,905</b>	<b>117,279</b>	<b>146,324</b>
Tax	12330	18117	25801	32191
<i>Effective tax rate (%)</i>	<i>17.8</i>	<i>19.7</i>	<i>22.0</i>	<i>22.0</i>
<b>Adjusted PAT</b>	<b>57,060</b>	<b>73,789</b>	<b>91,478</b>	<b>114,133</b>
(Profit)/loss from JV's/Ass/MI	16653	22795	26335	34446
<b>Adjusted PAT after MI</b>	<b>40,407</b>	<b>50,993</b>	<b>65,143</b>	<b>79,687</b>
<i>Growth (%)</i>	<i>16.0</i>	<i>26.2</i>	<i>27.7</i>	<i>22.3</i>
<b>Net Margin (%)</b>	<b>14.1</b>	<b>14.3</b>	<b>15.1</b>	<b>15.1</b>
E/O items	2969.6	568.2	0	0
<b>Reported PAT</b>	<b>43,377</b>	<b>51,562</b>	<b>65,143</b>	<b>79,687</b>
<i>Growth (%)</i>	<i>26.5</i>	<i>18.9</i>	<i>26.3</i>	<i>22.3</i>

## Cash Flow

Y/E, Mar (Rs. mn)	FY10	FY11	FY12E	FY13E
<b>PBT (Ex-Other income)</b>	<b>52,518</b>	<b>67,182</b>	<b>90,857</b>	<b>114,230</b>
Depreciation	7,498	10,301	16,813	18,707
Interest Provided	3,424	3,152	7,917	9,577
Other Non-Cash items	-17,220	-13,685	-46,908	-49,324
Chg in working cap	-73,157	279	-9,791	990
Tax paid	12,330	18,117	25,801	32,191
<b>Operating Cashflow</b>	<b>-14,609</b>	<b>85,345</b>	<b>84,690</b>	<b>126,371</b>
Capital expenditure	102,540	141,110	-3,563	8,293
<b>Free Cash Flow</b>	<b>87,931</b>	<b>226,455</b>	<b>81,127</b>	<b>134,664</b>
Other income	73,491	139,073	31,000	27,000
Investments	40,983	-73,492	24,751	25,000
<b>Investing Cashflow</b>	<b>-105,453</b>	<b>-68,943</b>	<b>-55,751</b>	<b>-52,000</b>
Equity Capital Raised	76,529	-318	0	0
Loans Taken / (Repaid)	22,461	24,691	29,328	26,000
Interest Paid	-3,424	-3,152	-7,917	-9,577
Others	0	0	0	1
<b>Financing Cashflow</b>	<b>98,990</b>	<b>24,373</b>	<b>29,328</b>	<b>26,000</b>
<b>Net chg in cash</b>	<b>-21,071</b>	<b>40,775</b>	<b>58,267</b>	<b>100,371</b>
Opening cash position	59,430	38,358	79,133	137,400
<b>Closing cash position</b>	<b>38,358</b>	<b>79,133</b>	<b>137,400</b>	<b>237,771</b>

## Balance Sheet

Y/E, Mar (Rs. mn)	FY10	FY11	FY12E	FY13E
Equity share capital	1681	3361	3361	3361
Reserves & surplus	367,762	409,788	468,833	541,061
<b>Net worth</b>	<b>369,443</b>	<b>413,149</b>	<b>472,194</b>	<b>544,423</b>
<b>Minority Interest</b>	<b>85199</b>	<b>107995</b>	<b>134330</b>	<b>168776</b>
Secured Loans	18,107	55,835	71,585	82,585
Unsecured Loans	74,489	61,452	75,030	90,030
<b>Loan Funds</b>	<b>92,596</b>	<b>117,287</b>	<b>146,615</b>	<b>172,615</b>
Net deferred tax liability	15524.3	21788.5	14075.7	14075.7
<b>Total Liabilities</b>	<b>562,765</b>	<b>660,221</b>	<b>767,218</b>	<b>899,892</b>
Gross Block	228,944	359,397	373,584	381,877
Less: Depreciation	63,689	73,990	90,803	109,510
<b>Net block</b>	<b>165,255</b>	<b>285,407</b>	<b>282,780</b>	<b>272,367</b>
CWIP	110844	121501	103751	103751
<b>Investment</b>	<b>203,045</b>	<b>129,553</b>	<b>154,304</b>	<b>179,304</b>
<b>Current Assets</b>	<b>180,095</b>	<b>259,400</b>	<b>309,090</b>	<b>417,864</b>
Inventories	29,827	51,547	42,631	48,371
Sundry debtors	5,709	15,950	16,289	18,952
Cash & bank balance	38,358	79,133	137,400	237,771
Loans & advances	104,993	109,439	109,439	109,439
Other current assets	0	0	0	0
<b>Current lia &amp; Prov</b>	<b>49,319</b>	<b>88,128</b>	<b>69,760</b>	<b>79,153</b>
Current liabilities	38,107	67,539	54,413	61,740
Provisions	11,212	20,590	15,347	17,414
<b>Net current assets</b>	<b>130,776</b>	<b>171,272</b>	<b>239,330</b>	<b>338,711</b>
<b>Total Assets</b>	<b>562,765</b>	<b>660,222</b>	<b>767,218</b>	<b>899,892</b>

## Key Ratios

Y/E, Mar	FY10	FY11	FY12E	FY13E
<b>Profitability (%)</b>				
EBITDA Margin	26.0	26.7	29.2	30.9
Net Margin	17.6	16.9	16.3	17.2
ROCE	15.0	15.5	17.5	18.7
ROE	12.9	12.9	14.7	15.7
RoIC	32.4	24.2	27.4	32.2
<b>Per Share Data (Rs)</b>				
EPS	11.1	15.0	19.4	23.7
CEPS	15.6	18.0	24.4	29.3
BVPS	109.9	122.9	140.5	162.0
DPS	2.1	1.2	1.6	1.9
<b>Valuations (x)</b>				
PER	15.4	11.5	8.9	7.3
P/CEPS	11.4	9.9	7.3	6.1
P/BV	1.6	1.4	1.2	1.1
EV / EBITDA	6.8	7.6	5.1	3.6
<b>Gearing Ratio (x)</b>				
Net Debt/ Equity	0.1	0.1	0.0	-0.1
Net Debt/EBITDA	0.9	0.5	0.1	-0.5

**Recommendation History: Sterlite Industries – STLT IN**

Date	Reports	Reco	CMP	Target
25/04/2011	<a href="#">Sterlite Industries Q4FY11 Result Update</a>	Accumulate	186	219
27/01/2011	<a href="#">Sterlite Industries Q3FY11 Result Update</a>	Accumulate	179	205

**Recent Research Reports**

Date	Reports	Reco	CMP	Target
22/07/2011	<a href="#">Sesa Goa Q1FY12 Result Update</a>	Hold	278	308
21/07/2011	<a href="#">Hindustan Zinc Q1FY12 Result Update</a>	Buy	138	173
30/06/2011	<a href="#">Hindustan Zinc Initiating Coverage</a>	Buy	136	173
26/05/2011	<a href="#">Tata Steel Q4FY11 Result Update</a>	Accumulate	573	670

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