

Sesa Sterlite

Q3 Net Profits at Rs. 1,868.29



Vedanta group firm Sesa Sterlite reported a consolidated net profit of Rs 1,868.29 crore for the quarter ended December 31, 2013. The company, previously known as Sesa Goa, had reported a net profit of Rs 496.73 crore in the corresponding period of the previous fiscal as reported by pti.

During the quarter, its net sales stood at Rs 19,414.34 crore as against Rs 229.79 crore of the Q3FY'13, it said in a filing to the BSE. Results of the company, however, are not comparable due to merger of Sterlite Industries, Sterlite Energy, Ekaterina Ltd, Madras Aluminium and Vedanta Aluminium into itself, it added. The merger had become effective in August last year.

Subsequent to the effectiveness of the merger scheme, the company said that the income tax department has filed a special leave petition "challenging the order of the Bombay High Court at Goa". Moreover, a creditor and a shareholder have challenged the merger scheme in Madras High Court.

"The said petitions are pending for admission / hearing," the company said. Consequent to the merger scheme becoming effective, Sesa Sterlite recognized "a substantial amount of goodwill is representing the underlying values of reserves of oil and gas and other operating open cast/underground mines" on consolidation.

It has decided to amortise such goodwill based on Unit of Production method, the company said, adding that accordingly an amount of Rs 589 crore and Rs 1,655

crore for the quarter and nine months ended December 2013, respectively is recognized in the financial results for the quarter.

Talking about its 1 million tonnes (MT) alumina refinery in Odisha's Lanjigarh, the company said that the Environment Ministry has reject final forest clearance to the proposal of mining bauxite at the Niyamgiri hills. The mining was to be done by Odisha Mining Corporation (OMC), an state PSU.

Sesa Sterlite had signed a MoU with OMC for 150 MT of bauxite supplies for the refinery, while planning the project. The company is now "considering sourcing bauxite from alternate sources to support the existing and expanded refinery operations", it said.

"The above matters are critical to the planned operations of the company. The management expects that with the timely support of relevant authorities, the above matters will be satisfactorily resolved," Sesa Sterlite said.

In a separate statement, company chairman Anil Agarwal said, "The merged company (Sesa Sterlite) has delivered a strong set of results, benefiting from its scale and diversification."

"We continue to focus on driving value-accretive growth across our portfolio of long-life assets and this, combined with efficient cost management has positioned us well to deliver superior returns for our shareholders," he said.