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SESA GROUP

Delivering
Growth
Long term value
Sustainability

Sesa Goa Limited
Annual Report 2011

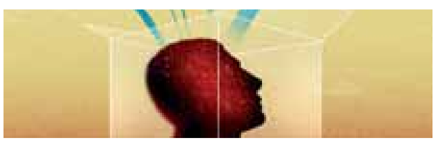
Our Vision
To be one of the top four iron ore mining companies in the world

Mission

- To maximise stakeholder wealth by exploiting core skills of iron ore mining, coke and iron making
- To constantly seek high levels of productivity and technical efficiency; to maintain technological superiority over competitors
- To aggressively seek additional resources
- To maintain costs in the lowest quartile globally
- To be an organisation with best-in-class people and a performance driven culture by attracting and retaining quality manpower
- To continue to maintain pre-eminent position in safety, environment and quality control management in the respective industry sectors
- To contribute to the development of the communities that the Company operates in or have influence on its business activities

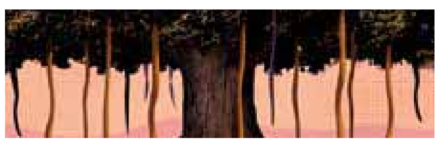
Our Values

Entrepreneurship



We foster an entrepreneurial spirit throughout our businesses and value the ability to foresee business opportunities early in the cycle and act on them swiftly. Whether it be developing organic growth projects, making strategic acquisitions or creating entrepreneurs from within, we ensure an entrepreneurial spirit at the heart of our workplace.

Growth



We continue to deliver growth and generate significant value for our shareholders. Moreover, our organic growth pipeline is strong as we seek to continue to deliver significant growth for shareholders in the future. We have pursued growth across all our businesses and into new areas, always on the basis that value must be delivered.

Excellence

Achieving excellence in all that we do is our way of life. We strive to consistently deliver projects ahead of time at industry-leading costs of construction and within budget. We are constantly focused on it with aspiring to achieve a top decile cost of production in each of our businesses. To achieve this, we follow a culture of best practice benchmarking.

Trust

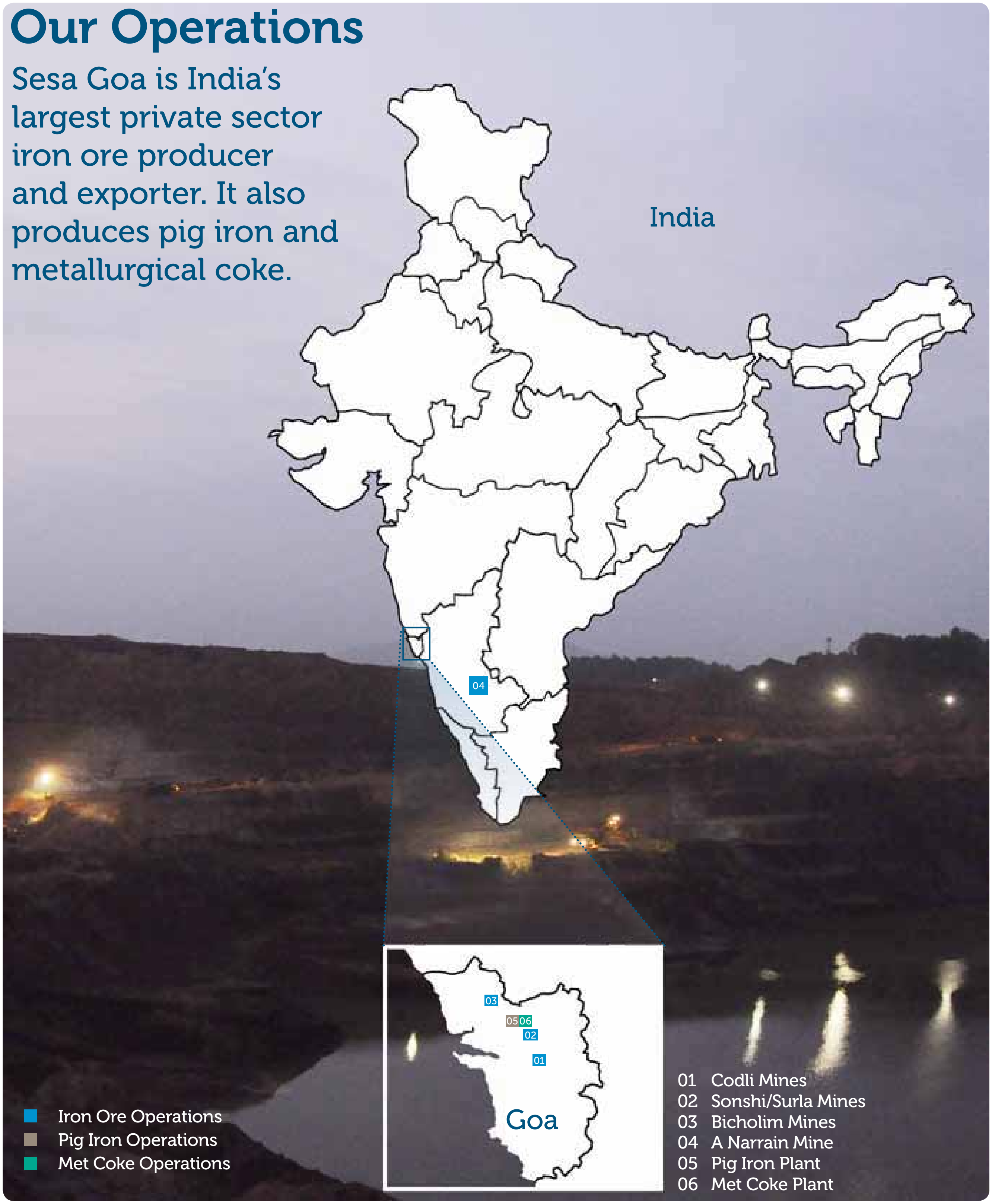
The trust that our stakeholders place in us is key to our success. We recognise that we must responsibly deliver on the promises we make to earn that trust. We constantly strive to meet stakeholder expectations of us and deliver ahead of expectations without compromising our other values.

Sustainability

We practice sustainability within the framework of well defined governance structures and policies and with the demonstrated commitment of our management and employees. We aim not only to minimise damage to the environment from our projects but to make a net positive impact on the environment wherever we work.

Our Operations

Sesa Goa is India's largest private sector iron ore producer and exporter. It also produces pig iron and metallurgical coke.



Note: Map not to scale
Major operating mines are shown in the map

Highlights

Financial Highlights

- Consolidated EBITDA of ₹ 5,214 crore, up 65%
- Consolidated PAT of ₹ 4,222 crore, up 60%
- Basic Earnings per share of ₹ 49.17 up 52%
- Dividend proposed at ₹ 3.50 per share as against of ₹ 3.25 per share declared in the previous year
- Strategic Investment – to acquire 20% stake in Cairn India Limited.

Business Highlights

- Iron ore capacity expansion is progressing well; planned investment of approximately US$ 500 million for Goa and Karnataka
- Expansion of Pig Iron and Met Coke on track for completion by Q3 FY2012
- Acquired the upcoming steel plant assets of Bellary Steel & Alloys Limited for a cash deal of ₹ 220 crore
- Amalgamation of Sesa Industries Limited with Sesa Goa Limited completed
- Exploration - Gross addition of 53 million tonnes of reserves and resources taking the total R&R to 306 million tonnes

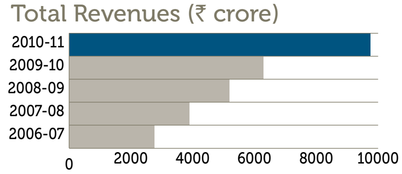
Consolidated Financial Summary

(in ₹ crore, except as stated)

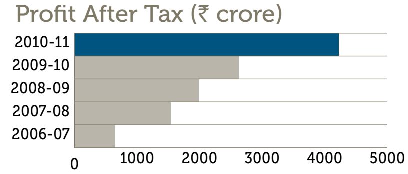
	2011	2010	Change
Net Income from Operations	9,205	5,859	57%
EBITDA	5,214	3,156	65%
EBITDA Margin	57%	54%	
Net Profit (PAT)	4,222	2,639	60%
Earnings Per Share (₹)			
Basic	49.17	32.41	52%
Diluted	48.17	31.62	52%

Delivering Sustainable Shareholder Value

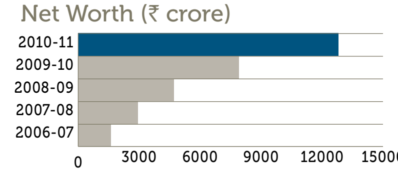
Total Revenues (₹ crore)



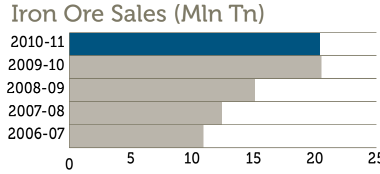
Profit After Tax (₹ crore)



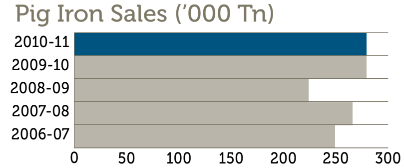
Net Worth (₹ crore)



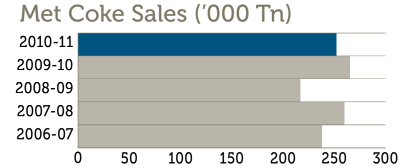
Iron Ore Sales (Mln Tn)



Pig Iron Sales ('000 Tn)



Met Coke Sales ('000 Tn)



Chief Executive's Statement

Delivering strong results

Dear Shareholders,

2010-11 has been a mixed year for Sesa Goa Limited. There was plenty of good news. First, the year saw the global economic crisis becoming a thing of the past, with both advanced and emerging economies registering positive growth during 2010. This contributed to resurgence in steel demand. Second, global iron ore consumption increased significantly and demand remained robust throughout the year. Third, steel output in China continued to grow, and with it the demand for imported iron ore and price.

These positive market conditions contributed to a 52% increase in Sesa Goa's turnover. With this growth, Sesa Goa today is an enterprise with a gross turnover exceeding US$ 2 billion.

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There were also some factors that adversely affected our production and sales of iron ore. In an effort to curb illegal mining, the Government of Karnataka banned export of iron ore mined in the state since end July 2010. In addition longer than normal monsoons in Goa and logistics constraints in Orissa and Goa further affected ore sales. Despite these constraints, your Company managed to nearly maintain production and sales volume levels at par with 2009-10.

International developments in 2010-11 has further strengthened our conviction of Sesa Goa's strategic positioning. In the near future, there is considerable market potential for a low cost producer like Sesa Goa to efficiently service the global seaborne iron ore trade. There are, however, some external uncertainties on the supply side, which are causes for concern.

Sesa Goa is continuously working on reorienting its plans to meet these challenges. In addition, in 2010-11, we have taken some long term steps and utilised our strong cash reserves for strategic investments.

The Macroeconomic Environment

It seems clear that the worst is behind us, and global economic recovery is on its way. After contracting by 0.5%, world output growth is back in positive territory at 5%. Emerging and developing economies continue to drive most of this growth. Renewed growth has revived steel demand. Global crude steel output increased by 16.8% in 2010. This provided for strong demand pull right across the ferrous metal value chain.

China and India are back on their high growth momentum. India grew by 8.6% in 2010-11, while China recorded a growth of around 10% in 2010. There are some causes of concern in terms of overheating, but the quarter-on-quarter growth rates still do not indicate that these two countries will see a significant slowdown in the near future.

Nevertheless, there are some worries. One of these is high producer and consumer price inflation across emerging markets, especially in India and China. In the short term, higher commodity prices augur well for a company like Sesa Goa. However, high and rising cost-push inflation can cause social problems in emerging economies and hinder long term growth. Already, in an attempt to curb inflation, the Reserve Bank of India has increased interest rates on seven occasions since April 2010 — the last one being a hike of 50 basis points. Such high interest rates can have a negative impact on investments and future growth. So too oil prices, which remain at high levels.

The Business Environment

As stated in earlier annual reports, over the last few years Sesa Goa has developed a growth strategy with a focus on serving the increasing demand for iron ore, especially in emerging economies, but in most responsible manner.

Consider China. With a reduction in steel output in that country in the second half of calendar 2010, there were fears of a slowdown in iron ore imports. It turned out to be a temporary aberration. China was at the cusp of two different growth phases. Projects that were part of the earlier fiscal stimulus were being completed; hence, steel demand was tapering off. However, from the beginning of calendar 2011, China has launched another round of economic growth initiatives, with the focus on social housing and infrastructure, especially railways.

> "We are optimistic that the strategic positioning of Sesa Goa with its low cost capabilities, easy accessibility to ports and strong customer relations will hold us in good stead to mitigate any downside risks and exploit the upside opportunities".

This has led to major growth in steel output in China in Q1, 2011, which has increased both iron ore imports and prices. This phase of 'steel-led' GDP growth is expected to continue in the near future, with high demand from the construction industry. In the long run, however, there will be some slowdown in the Chinese steel sector as the country matures into being more consumer-driven economy.

We are optimistic that the strategic positioning of Sesa Goa with its low cost capabilities, easy accessibility to ports and strong customer relations will hold us in good stead to mitigate any downside risks and exploit the upside opportunities.

I have touched upon the supply side constraints that we faced as an Indian iron ore mining enterprise. The other major iron ore exporting country like Brazil, also faced issues regarding environmental clearances and port logistics. Thus, there were global supply side constraints in the seaborne iron ore trade. Hence, in an environment of fast growing Chinese demand, the prices of iron ore increased in the latter half of 2010-11.

Performance

The Company sold 18.1 million tonnes of iron ore (20.4 million tonnes on a wet metric tonne or WMT basis) in 2010-11, which was marginally lower than the 18.4 million tonnes of iron ore (20.5 million tonnes on a WMT basis) sold in 2009-10. However, external sales revenue from iron ore increased by 62% — from ₹ 5,170 crore in 2009-10 to ₹ 8,387 crore in 2010-11.

This trend was replicated in the pig iron business. Although sales volumes decreased by 5%, external sales revenues grew by 22% to ₹ 674 crore in 2010-11.

Sales and production volumes of metallurgical coke (met coke) were almost similar at 252,074 tonnes and 263,269 tonnes respectively in 2010-11. External sales revenues increased by 6% to ₹ 152 crore in 2010-11.

Sesa Goa's net income from operations grew by 57% to ₹ 9,205 crore in 2010-11. EBITDA by 65% to ₹ 5,214 crore in 2010-11. PAT increased by 60% to ₹ 4,222 crore, and diluted earnings per share grew from ₹ 31.62 in 2009-10 to ₹ 48.17 in 2010-11.

We remain focused on cost control and productivity. These efforts have helped to partially offset the higher export duties paid out in 2010-11.

Healthy accruals during the year contributed further to our strong cash position. As of 31st March, 2011, Sesa Goa had cash and cash equivalents of ₹ 10,682 crore. We have used this healthy cash reserve to make commitments to strategic investments that should generate high returns and diversify the Company's business — to which I now turn.

Strategic Developments

We have made two long term commitments in 2010-11.

The first is a commitment to buy 20% stake in Cairn India Limited (CIL) as part of the Vedanta Group's bid to buy majority stake in that entity. The value of the 20% stake is estimated at around US$3 billion. This will be a financial investment for Sesa Goa that provides the Company an opportunity to earn superior returns in an investment in a leading hydrocarbons enterprise, which will benefit from value creation as part of the Vedanta Group while providing the protection of participating in a controlling interest.

The proposed takeover by the Vedanta Group is presently awaiting Government of India approvals.

In a major development post the end of the financial year but prior to writing this letter, we acquired 200 million shares amounting to 10.4% stake in CIL from Petronas International Corporation Ltd. in a block deal at a price of ₹ 331 per share.

The open offer closed on 30th April, 2011. Some 155 million shares representing approximately 8.1% of the share capital of Cairn India Ltd. have been tendered. The total consideration to be paid for these tendered shares is ₹ 5,504 crore (approximately US$ 1,241 million) at the offer price of ₹355 per share.

Thus, post the open offer, Sesa Goa will have 18.5% stake in Cairn India Ltd — 8.1% from the shares tendered during the tenure of the offer, and another 10.4% from Petronas.

The second is a move to diversify up the ferrous metal value chain. We acquired the assets of the upcoming steel plant unit of Bellary Steel and Alloys Limited for an all cash deal of ₹ 220 crore. Apart from the direct benefits of leveraging growing opportunities in the Indian steel sector, this acquisition should allow us to add value to the iron ore mined in the state of Karnataka.

At this juncture, it gives me great pleasure to inform you that the long pending case regarding the amalgamation of Sesa Industries Limited, the subsidiary that produces pig iron, and Sesa Goa finally received the approval of the Supreme Court. The merger was completed in February 2011.

I am also pleased to inform you that we have successfully integrated the operations of Sesa Resources Limited (SRL) and the Sesa Mining Corporation (SMC) — the erstwhile V S Dempo Limited — with the Company's operations. SRL and SMC continue to perform to expected levels. We have also added additional resources in SRL and SMC post-acquisition through explorations, thus reinforcing our sustainable growth strategy.

Growth and Long Term Value

In last year's annual report, I had stated our iron ore vision of 50 million tonnes (mt) production and sales by 2012-13. There has been a revision to this. In 2010-11, we did not renew our agreement for third party operations at the Thakurani mines in Barbil, Orissa, due to unfavourable commercial terms, and terminated our operations in Orissa. We continue to maintain our target for increasing ore production in Goa and Karnataka to 40 mt.

Exploration activities continue as planned, with 53 mt being added to the gross reserves and resources. As on 31st March, 2011, the Company's total reserves and resources were 306 mt.

We have progressed on all the projects to double our iron ore capacities — and also increasing pig iron capacities by 375,000 metric tonnes (MT) . Regarding iron ore, in 2010-11, although we made satisfactory progress in logistics, mining and processing capacities, however we are awaiting certain statutory clearances. Expansion of the pig iron capacity is progressing well, for completion by Q3, 2011-12.

Sustainability

Sesa Goa remains committed to sustainable development, which focuses on maintaining a pre-eminent position in health, safety and environment practices, and in contributing to the development of communities where it operates. All our locations, are certified for ISO 9001, ISO 14001 and OHSAS 18001 — except for SRL which is yet to be certified for OHSAS 18001.

Health and safety always remained a priority for Sesa Goa. The Company continues to take a proactive role in providing the employees a safe working environment through responsibility, training, monitoring and implementing the best safety practices across all locations.

In 2010-11, our Lost Time Injury Frequency Rate (LTIFR) reduced from 1.13 in 2009-10 to 0.86 per million hours worked in 2010-11. I am also happy to report that the Met Coke Division (MCD) achieved zero lost time accidents for the last two consecutive years. 2010-11 also saw the Pig Iron Division (PID) achieve zero lost time accidents. Nevertheless, I must inform with deep regret of a fatality, which occurred at a jetty in Goa where a barge sailor lost his life in an accident. We have thoroughly investigated the causes, and put in the necessary safety measures.

The community development work — through the Sesa Community Development Foundation, Mineral

Foundation of Goa and specific need based initiatives — continues to focus on social projects in line with our over-all sustainability objectives. More details on health, safety, environment and corporate social responsibility are given in the chapter on Management Discussion and Analysis.

In 2010-11, Rs 2,571 crore was paid by your company in the form of various taxes, duties, levies, royalties, etc to Government of India and other Government agencies.

Outlook

For the near term, we remain optimistic about the prospects of iron ore demand and consequently the price, in the global seaborne trade. In line with consensus expectations, we expect global deficit in iron ore to continue for the next two years. In the longer term, the market will move towards equilibrium at lower prices as new capacities for iron ore come on stream.

On the cost front, we expect royalty rates, railway & road freight and export duties to exert some pressure, while volumes could be challenged by uncertainties in policy decisions and hurdles in logistics. We remain cautiously optimistic of overcoming such obstacles.

Corporate Governance

You would recall that in 2009-10, Sesa Goa was subjected to investigation by the Serious Fraud Investigation Office, Ministry of Corporate Affairs, New Delhi. The investigation is still in progess. Further update on this issue will be provided in due course.

Acknowledgement

I would like to take this opportunity to thank all our employees, employee unions, my colleagues at the executive team of Sesa, the Group Management and the Board of Directors for their unwavering support in helping us enhance our position as the India's leading iron ore company.

Thanks are also due to government departments & authorities, village panchayats, our solicitor & counsels, consultants, suppliers, contractors, various, port authorities and all other business associates.

We recently announced that our Chairman, Mr SD Kulkarni, has stepped down from the Board after serving the Company for 10 years. On behalf of the Board of Directors, I would like to take this opportunity to thank, Mr Kulkarni for his substantial contributions, and for guiding Sesa Goa to its pioneering position.

The Company has recently appointed Mr Jagdish P Singh and Mr Ashok Kini as Directors, subject to the approval of shareholders in the Company's ensuing annual general meeting. I welcome them on board and look forward to their support and guidance in taking Sesa Goa to new levels of success.

My thanks to our shareholders for reposing faith in our business. Let me say to them, "We have the ability. We have the desire. And we have the belief that we can and will deliver our targets."

P K Mukherjee

Chief Executive Officer / Managing Director

5th May, 2011

Board of Directors

Left to right: Kuldip K. Kaura, Jagdish P. Singh, Amit Pradhan, Arun K. Rai, Ashok Kini, Gurudas D. Kamat, Prasun K. Mukherjee

Mr. Pandurang G. Kakodkar

Director

Pandurang G. Kakodkar is a non-executive independent Director of SGL. He holds a Postgraduate in M.A. (Economics) from Bombay University and was appointed as Director of SGL on 31st March, 2000.

He has over 41 years of experience in the State Bank of India, retiring as the Chairman in 1997. He is currently a private information technology and banking consultant. His other directorships include: Goa Carbon Ltd., Uttam Galva Steel Ltd., Financial Technologies (India) Ltd., Auditime Information Systems (I) Private Ltd., Fomento Resorts and Hotels Ltd., Centrum Finance Ltd., Multi Commodity Exchange of India Ltd., IBXForex Ltd. and Anand Rathi Financial Services Ltd.

Mr. Kuldip K. Kaura

Director

Kuldip K. Kaura is a non-executive Director of SGL. Mr. Kaura is currently Chief Executive Officer and Managing Director of ACC Limited. Mr. Kaura was appointed as Director of SGL on 30th October, 2007.

He holds a Bachelor of Engineering (Hons) in Mechanical Engineering from Birla Institute of Technology & Science, Pilani.

Mr. Kaura retired as the Chief Executive Officer of Vedanta Resources plc in September 2008. Before joining the Vedanta group, Mr.Kaura served at ABB India for 18 years and was the Managing Director and Country Manager from 1998 to 2001. He has served as member of National Council of Confederation of Indian Industries and is office bearer of such professional bodies.

Mr Jagdish P. Singh

Director

Jagdish P. Singh is a distinguished civil servant with over 37 years of executive experience in key positions in the Union and State Government. He is an alumnus of the Harvard University where he attended the Kennedy School of Government as a Mason Fellow. He also holds a Master's degree from the University of Allahabad.

Mr. Singh has occupied varied positions in his career such as district and divisional administrator, to later working as Chief Executive and Chairman of the Board of numerous corporate bodies. He was responsible for turning around of several State and Central corporations engaged in Industrial and Services activities such as Tourism, Infrastructure, Co-operative Finance, Mining and Minerals exploration. He initiated measures in amendments in Labour Laws. He shaped the new National Mineral Policy in 2008 and piloted its passage.

He has conducted bilateral and country specific discussions to further joint economic activities with South Africa, Australia and Indonesia.

Mr. Amit Pradhan

Whole Time Director, Director - Iron & Coke

Amit Pradhan is a Whole Time Director of SGL. Currently responsible for the Group's business in Pig Iron, Coke and Power, Mr. Pradhan joined SGL in January 1990 as Manager - Purchase. Mr Pradhan holds a Postgraduate in M.Sc. (Physics) from the Indian Institute of Technology, Delhi. Mr. Pradhan was appointed as Director of SGL on 1st July, 2000.

He has 33 years of experience in materials/project management and Business Development. Mr. Pradhan was appointed as Whole Time Director of the Company effective from 1st May, 2006. He is also distinguished and listed by the International Who's Who Professionals in 2007.

Mr. Arun K. Rai

Whole Time Director, Director - Production and Logistics

Arun K. Rai is a Whole Time Director of SGL. Mr. Rai holds a degree in Mining Engineering from Banaras Hindu University. Mr. Rai was appointed as Director of SGL on 1st February 1999.

He has 35 years of experience in the field of Mining and allied areas. Mr. Rai was re-appointed as Whole Time Director of the Company effective from 1st February, 2009.

Mr. Ashok Kini

Director

Ashok Kini is a non-executive independent Director of SGL. He holds a Postgraduate from Madras Christian College, Chennai.

Mr. Ashok Kini is former Managing Director, State Bank of India. He was responsible for the Bank's IT plans, from concept and RFP to execution and vendor management, domestic distribution, retail business, consumer banking, marketing/brand management, etc. He is currently on Board of IndusInd Bank Limited, Gulf Oil Corporation Limited, UTI Asset Management Company and Financial Information Network & Operations Pvt. Limited.

Mr. Gurudas D. Kamat

Director

Gurudas D. Kamat is a non-executive independent Director of SGL. Mr. Kamat retired as Chief Justice of Gujarat High Court in January 1997. Mr. Kamat is engaged in judicial work relating to arbitration and conciliation. Mr. Kamat was appointed as a judge of the Bombay High Court on 29 November, 1983. Mr. Kamat was appointed as Director of SGL on 23rd December, 2005.

He has over 46 years of experience in the field of legal practice and judiciary, having practiced in Bombay as well as in Goa in various branches of law. Mr. Kamat was prosecutor for the Government of Goa from 1967 to 1969 and was a member of the senate and faculty of law of Bombay University from 1978 to 1980. From 1980 onwards, Mr. Kamat was an advocate for the Customs and Central Excise Departments of the Government of India.

Mr. Prasun K. Mukherjee

Managing Director

Prasun K. Mukherjee is the Managing Director of SGL since April 2006. Mr. Mukherjee holds a Bachelor of Commerce (Hons) degree from Calcutta University. He is a fellow member of the Institute of Chartered Accountants of India and an associate member of the Institute of Cost and Works Accountants of India.

He has around 32 years of experience in finance, accounts, costing, taxation, legal and general management. Mr. Mukherjee was rated as one of India's Best Chief Financial Officers (CFOs) in the year 2005 by Business Today magazine and in 2009, Business World magazine declared Mr. Mukherjee as India's most 'Value'able CEO.

Creating Shareholder Value

We are India's largest producer and exporter of iron ore committed to providing superior returns and mining responsibly

Organic growth

We have doubled our capacities in the last 3 years and similar growth programs are on track to further enhance our existing operations. We have continuously increased our resource base through extensive exploration.

Our expansion programmes of doubling our current capacities across all our businesses are progressing well.

Gross addition of over 170 mt of R&R in last 3 years.

Additional investment opportunities

Our first acquisition having enabled us to deliver industry leading growth, we continue to selectively pursue value enhancing opportunities where we can leverage our skills and experience.

Acquisition of assets of upcoming steel plant of Bellary Steel and Alloys Limited

Strategic Investment - Acquisition of 20% stake in Cairn India Limited

Optimise returns

We have a culture of continuous improvement, and are focused on maintaining our low cost position. We are leveraging the Sesa Resources iron ore acquisition to realise synergies.

EBITDA up 65% to ₹ 5,214 crores, Earnings per share up 52% to ₹ 49.17, Proposed dividend of ₹ 3.50 per share.

Group structure

Our priority is to create value for all our shareholders through optimising the capital structuring and means of delivering returns.

Amalgamation of Sesa Industries Limited with Sesa Goa Limited completed

Successfully integrated the operations of Sesa Resources Ltd. with Sesa Goa Ltd.

People

Our people are the foundation of our business and a key ingredient for our success. Our people strategy is founded on the recruitment, development and retention of the talented men and women who run and grow our businesses.

Around 4,600 employees, including +680 professionals.

LTIFR reduced by 60% over a period of 5 years.

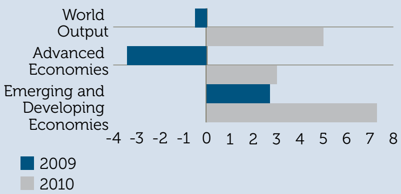
Community and Environment

We are committed to the goal of sustainable development by adopting leading global standards of health, safety & environmental management and community development.

Touching lives of thousands of persons directly & indirectly through its continuous community development initiatives.

Market Overview

Chart A: Output growth (%)

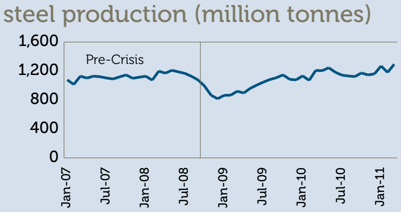


Source: IMF estimates

Chart B: Real GDP growth (%)

Source: CSO, National Bureau of Statistics, China

Chart C: Global crude steel production (million tonnes)



Source: World Steel Association

Sesa Goa Limited (or 'Sesa Goa' or 'the Company') is part of the Vedanta Group, a diversified global metals and mining major. It drives the Group's ferrous minerals business with a commitment to create a world class enterprise through high quality assets, competitive cost of production and superior returns to shareholders.

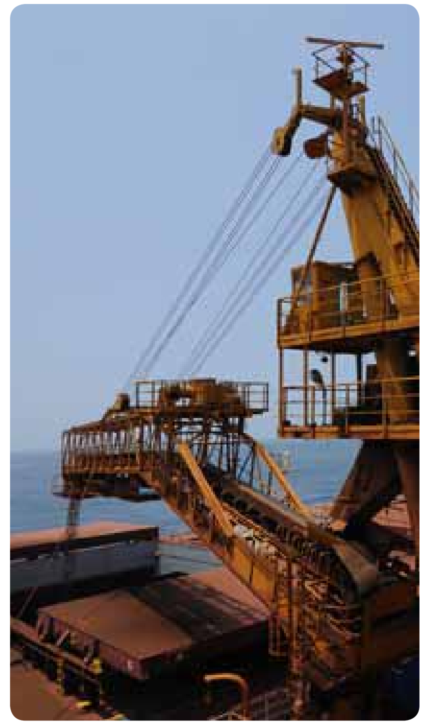
The Company's core business is iron ore mining. Today, it is India's largest private sector iron ore producer and exporter. In addition, Sesa Goa produces pig iron, met coke and provides proprietary technology in coke manufacturing.

While all these businesses have their focused markets, their performances have a strong relationship to the prevailing economic environment.

Macroeconomic Developments

2010-11 saw the global economic recovery gaining strength. After a de-growth of 0.5% in 2009, world economic output rebounded strongly to register 5% growth in 2010. Much of this impetus came from developing and emerging economies, which witnessed 7.3% growth in 2010 compared to 2.7% in 2009. Thankfully, even the advanced economies recovered from a 3.4% contraction in output in 2009 to a growth of 3% in 2010 (see Chart A).

Economic growth has a direct linkage to steel and, hence, iron ore demand. By October 2010, industrial production in emerging economies such as India and China had already surpassed the pre-crisis levels. Even some of the advanced economies witnessed a pick-up in industrial production.



There is, however, some fear of overheating in key emerging markets such as China and India. In an environment of rising domestic demand, supply side constraints and increased speculative activities are leading to sharp rise in commodity prices — such as hydrocarbons, crude oil, minerals, metals and food. With higher consumer and producer price inflation in all key emerging markets, especially India and China, it is not surprising that central banks are raising interest rates and tightening money supply. This carries two risks: first, higher cost of finance affecting consumer demand, current profitability and future investments; and second, the possible slowing down of economic growth.

Having said so, the fact is that two of Sesa Goa's primary markets — China and India — have continued

to grow at high rates. Chart B shows how, from the third quarter of calendar 2009, both China and India have registered strong growth rates with the trend continuing throughout 2010. Advanced estimates suggest that while China grew by around 10% in 2010, India will register GDP growth of 8.6% in 2010-11.

The Global Iron and Steel Market

The macroeconomic environment has a significant bearing on global steel demand and supply. Estimates suggest that global steel consumption has grown by around 1.5x of world GDP growth over the last decade. Steel consumption has gained traction with global economic recovery. Chart C shows that after the dip in mid-2008, world crude steel production started recovering in 2009; and by March 2010 it exceeded the pre-crisis level.

Global steel production rose by 16.8%, to 1,414 million tonnes in 2010. With a share of over 44%, China continued to be the driving force in the industry. Crude steel output in China grew by 9.3% to 627 million tonnes.

There were apprehensions in some quarters about a possible long term slowdown in the output of Chinese steel, on account of the completion of many government-backed stimulus projects and restrictions levied by the Chinese government on energy inefficient steel producers. That has not happened. The first quarter of 2011 has again seen a strong uptick in Chinese steel production, driven mainly by the demand for social housing in the interior provinces of China and railways.

In the short- to medium-term, therefore, Chinese steel production is expected to continue to grow fairly rapidly. However, over a longer horizon, one could expect China's steel intensity to start declining as the economy moves away from being investment-driven to being more consumption determined.

The growth in steel output resulted in strong demand for iron ore and met coke. This, coupled with logistics and environment related constraints on the supply side, saw significant increases in prices of these raw materials during much of 2010-11.

With its low cost production base and focus on growing markets, such as China and India, 2010-11 has been a favourable year for Sesa Goa. However, from the supply side, there were some issues, mainly regulatory in nature, that prevented further growth. These are detailed in the business segment review.

Financial Highlights

Growing demand and greater operational efficiencies have contributed to record sales and profits. It should be noted that after the acquisition of SRL in 2009-10, nine month of its operations were consolidated in the accounts for the previous year, versus all twelve months in 2010-11. Table 1 gives the summarised consolidated profit and loss account of Sesa Goa.

Table 1: Abridged Consolidated Profit and Loss Account of Sesa Goa

(₹ in crore)

Particulars	2010-11	2009-10
INCOME		
Gross sales	10,151	6,654
Less: Excise duty	64	44
Less: Ocean freight	943	812
Add: Other operating income	61	61
Net Income from Operations	9,205	5,859
EXPENDITURE		
Production and operational expenses	3,866	2,616
Administration expenses and selling expenses	133	94
Exchange (gain)/loss on FCCB	49	(122)
Operating PBDIT	**5,157**	**3,271**
Less: Depreciation	96	75
Operating PBIT before other income	**5,061**	**3,196**
Less: Interest	42	55
Add: Interest, dividend and other income	540	304
PBT	**5,559**	**3,445**
Less: Provision for taxation	1,337	806
PAT	**4,222**	**2,639**
Less: Minority interests	–	10
Consolidated PAT after minority interest	**4,222**	**2,629**

Sesa Goa's Financial Performance, 2010-11

- Gross sales increased by 53% to ₹ 10,151 crore in 2010-11. With this, Sesa Goa has become a company exceeding US$ 2 billion in turnover on a consolidated basis.
- Net income from operations grew by 57% to ₹ 9,205 crore in 2010-11.
- Operating PBDIT increased by 58% to ₹ 5,157 crore in 2010-11. Operating PBDIT margin (operating PBDIT divided by net income from operations) was 56%.
- Cash profits (PBDT) for 2010-11 were ₹ 5,655 crore — an increase of 61% over 2009-10.
- PBT increased by 61% to ₹ 5,559 crore in 2010-11.
- PAT grew by 60% to ₹ 4,222 crore.
- Propose dividend of ₹ 3.50 per equity share of ₹ 1.00 each for 2010-11
- Diluted earnings per share rose from ₹ 31.62 in 2009-10 to ₹ 48.17 in 2010-11.
- Net worth in 2010-11 grew by 62% to ₹ 12,810 crore.
- As of 31st March, 2011, Sesa Goa had cash and cash equivalents of ₹ 10,682 crore — consisting of ₹ 8,800 crore in debt mutual funds, ₹ 1,000 crore in inter-corporate deposits since repaid, and balance ₹ 882 crore in fixed deposits, cash with banks, cash in hand, etc.

Business Development

Having built strong cash reserve over time, the Company has started using its balance sheet strength to make strategic business investments. In 2009-10, Sesa Goa planned investment of approximately US$500 million for investments in Iron ore expansions to support higher growth for the business.

In 2010-11, Sesa Goa made further commitments to investments, which are given below.

Investment in Cairn India Limited

In August 2010, Sesa Goa proposed to take a 20% stake in Cairn India Limited (CIL) under an open offer. Subject to any higher price required to be paid in accordance with the SEBI rules on takeovers and mergers in India, the price payable per share in the open offer will be ₹ 355 per CIL share tendered. This is part of the Vedanta Group's offer to acquire majority of CIL shares.

CIL is a listed company. It has a unique oil and gas exploration and production platform with the third largest oil reserves in India, with a proven management team and a low-cost production set up. Cairn India's principal asset is its 70% stake in the Rajasthan oil development project, as well as some 600 km of heated pipeline from Barmer in Rajasthan to Bhogat on the Gujarat coast.

Currently CIL is producing approximately 125,000 barrels of crude oil per day, which can be significantly enhanced subject to approvals. The project represents a significant potential resource base with estimated oil in place in excess of 6.5 billion barrels. The global oil and gas markets continue to be demand driven, and low cost producers generate high returns on investments.

For Sesa Goa, this is a financial investment, which will also support the Vedanta Group's long term growth objectives. The transaction, which is estimated to be EPS accretive for Sesa Goa, gives the Company a stake in a world class asset with significant growth potential.

While the Board of Sesa Goa has cleared this investment, the entire takeover process is going through regulatory clearances.

In a major development after 31st March, 2011, but prior to the release of this document, Sesa Goa acquired 200 million shares amounting to 10.4% stake in Cairn India from Petronas International Corporation Ltd in April 2011, at a price of ₹ 331 per share. This acquisition is in addition to the open offer launched by Sesa Goa on 11th April, 2011.

The Open Offer for CIL's shares closed on 30th April, 2011. A total of around 155 million shares representing approximately 8.1% of the share capital of Cairn India Ltd. have been tendered. The total consideration to be paid for the tendered shares is ₹ 5,504 crore (approx. US$1,241 million) at the offer price of ₹ 355 per share. Consequently, post the Open Offer, Sesa Goa will have 18.5% stake in CIL (i.e. 8.1% through the Open Offer plus 10.4% from Petronas).

Acquisition of the Assets of Bellary Steel and Alloys Limited

In March 2011, Sesa Goa acquired the assets of the upcoming steel plant unit of Bellary Steel and Alloys Limited (BSAL) for an all cash deal of ₹ 220 crore. The secured creditors to BSAL represented by IFCI Ltd had taken over possession of the properties of BSAL in association with the official liquidator. IFCI Ltd then conducted a sale process for the assets of BSAL under the SARFAESI Act, 2002.

BSAL was in the process of putting up a steel plant project at Bellary. The acquired properties of the plant include a 0.5 million tonnes per annum capacity steel plant which is under construction, freehold land of around 700 acres, building and structures, plant and machinery and other related assets. These have been transferred on an 'as is where is' basis to Sesa Goa.

Sesa Goa has been looking at value addition in the ferrous metal chain. As a first step, it had moved into pig iron production. Now, with this acquisition, the Company is taking its first steps in steel manufacturing. In the process, it is widening its presence across the ferrous metal production chain.

The steel plant under construction is located in the rich iron ore belt of Karnataka, and provides the Company a good opportunity to expeditiously set up a value adding facility on freehold land which is in close proximity of state highways, railways and source of water. Moreover, this facility provides Sesa Goa with better opportunities to add value to the iron ore extracted within Karnataka — which is in line with the state government's objective.

The Company is presently conducting a detailed assessment in order to determine the best way forward for commissioning the steel plant at the earliest. However, the acquisition has been challenged by JSW Steel Ltd in the Supreme Court of India, which has asked the parties to maintain status quo until the matter is decided.

Merger of Sesa Industries Limited with Sesa Goa Limited

In 2010-11, after a long legal process, Sesa Industries Limited (SIL) was merged with Sesa Goa. On 7th February, 2011, the Company received the order of Supreme Court of India that upheld the order of a Single Judge of High Court of Bombay at Goa, dated 18 December 2008, approving the Scheme of Amalgamation of SIL with Sesa Goa Limited with appointed date of 1 April, 2005.

The Board of Directors, at its meeting held on 12th March, 2011, has taken the following decisions:

- Allotted 9,398,864 equity shares of face value of ₹ 1, each bearing distinctive numbers 859,702,560 to 869,101,423 to the shareholders of the erstwhile SIL, who were holding shares as on the record date, i.e. 28th February, 2011. The allotment was done in the ratio of 1:5, with benefits of sub-division and bonus. As a result of allotment, the paid up share capital of the Company has gone up from ₹85.97 crore to ₹86.91 crore.
- Approved distribution of dividend to the shareholders of SIL who were allotted Sesa Goa shares in terms of the Scheme of Amalgamation. This works out to ₹11.05 crore.

Business Segment Review

Chart D: Share of Sesa's consolidated external revenues

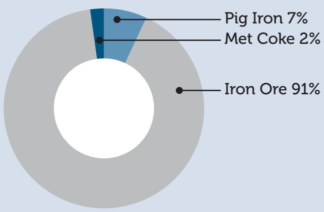
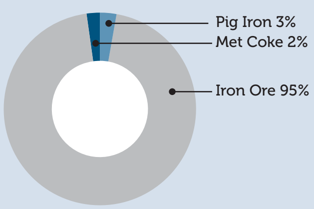


Chart E: Share of Sesa's consolidated segment profits



Sesa Goa's primary business is the exploration, mining and processing of iron-ore. Its mining operations are carried out in the states of Goa and Karnataka in India. The Company has also diversified its operations into manufacturing of met coke and pig iron.

Charts D and E give the share of each of the operating business in Sesa Goa's consolidated external revenues and consolidated segment profits (profit before tax, interest, dividend and non-allocable items), respectively.

Iron ore: This is Sesa Goa's core business segment, and contributed to 91% of consolidated external revenues and 95% of segment profits in 2010-11. The Company has a niche positioning with cost competitive ore base, and mines that have relatively easy access to ports to support the global seaborne iron ore trade.

Pig iron: This business, carried out through the erstwhile subsidiary SIL, has now been merged with Sesa Goa. It contributed 7% to total external revenues in 2010-11, and its share in segment profits was 3%. The business focuses mainly on the domestic Indian market, especially to foundries and steel mills in western and southern India. It also exports to the Middle-East and South East Asia.

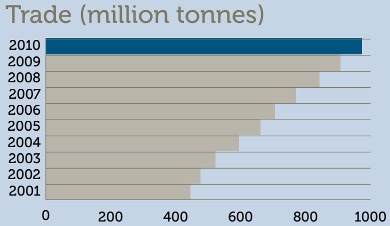
Metallurgical Coke (met coke): The met coke business is larger than what it seems from its 2% contribution to external sales and 2% contribution to segment profits. This is because 70% of its sales is to the pig iron division, which is adjusted in inter-segment revenues. This business is primarily a backward integration initiative to support pig iron. Some of the production is also sold externally.

Let us look at the developments in each of these businesses in greater detail.

Iron Ore

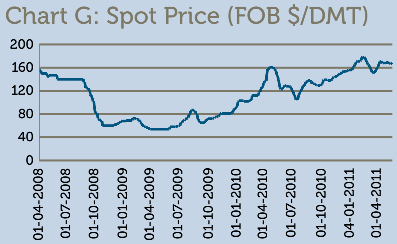
- Net revenues (after adjusting for inter segment sales) from iron ore operations increased by 62% from ₹ 5,170 crore in 2009-10 to ₹ 8,387 crore in 2010-11. This was the highest ever annual sale.
- Profits before interest, tax, dividends and other non-recurring or non-allocable incomes grew by 67% from ₹ 2,926 crore in 2009-10 to ₹ 4,884 crore in 2010-11.

Chart F: Seaborne Iron Ore Trade (million tonnes)



Source: Metalytics

Chart G: Spot Price (FOB $/DMT)



Source: My Steel

Markets

Sesa Goa focuses on the global seaborne trade in iron ore which caters to the import demand of various countries, especially China. Seaborne iron ore trade increased by 7.3% to 973 million tonnes in 2010. Chart F plots its growth over the last 10 years – when it registered a compound annual growth rate (CAGR) of 9.1%.

During the last decade, China has emerged as the world's leading producer of steel. However, it relies on imports to substantially meet its ore needs. Chinese imports of iron ore have increased at a CAGR of 23% from 92 million tonnes in 2001 to 594 million tonnes in 2010. With this growth, its share in global iron ore imports has risen from 20.7% in 2001 to 61.1% in 2010.

In 2010, Chinese import of iron ore reduced by 3.7% in terms of volume. Much of this was on account of supply side constraints in major iron ore producing countries. Brazil suffered from production shortfalls due to heavy rainfall; while in India, exports were banned from the state of Karnataka. Both these countries are also facing several environmental restrictions in increasing iron ore supplies. In addition, development of port capacities and inland logistics in Brazil and India has not been in pace with growing requirements of the seaborne iron ore trade.

In an environment of strong demand, these supply-side constraints resulted in a steady increase in iron ore prices. Chart G shows how prices have risen since Q2, 2010-11.

Table 2 gives the regional distribution of the Company's sales. While China remains the core geography, the Company is focusing on developing other markets. With the growth in the domestic Indian steel industry, there is a growing emphasis on domestic iron ore sales. India's share of Sesa Goa's total iron ore sales has risen from 6% in 2009-10 to 10% in 2010-11. Similarly, the share of Japan and Korea has increased from 7% to 10%.

Table 2: Share of Sesa Goa's Total Iron Ore Sales

	2010-11	2009-10
China	77%	85%
Europe	2%	2%
Japan & Korea	10%	7%
India-Domestic	10%	6%
Others	1%	-

Regulatory Issues

The performance could have been even better had it not been for some regulatory issues that affected both volume growth and profitability of the iron ore business in 2010-11, to which we now turn.

Karnataka Export Ban

In order to curb illegal mining, the state government of Karnataka imposed a temporary ban on iron ore exports from its ten minor ports since end July 2010. Consequently, a group of miners including Sesa Goa, approached the High Court of Karnataka to revoke this ban. After the hearing, the High Court provided six months for the state government to enforce requisite regulations to mitigate illegal mining. To get faster resolution, this order was further challenged in the Supreme Court.

The Supreme Court heard the matter on 12th February, 2011. It stated that the ban could not be for an indefinite period and directed the government of Karnataka to frame new rules for controlling illegal mining by 31st March, 2011. Meanwhile, it directed the state government to allow the exports of iron ore lying at major ports.

On 5th April, 2011, the Supreme Court passed its interim order staying the government ordinance on issuance of Mineral Despatch Permits for exports by the state of Karnataka with effect from 20th April, 2011.

Export Duty Structure

On 28th February, 2011, Government of India raised export duty on both lumps and fines to 20%. The effect of this was restricted to only the month of March in 2010-11, but going forward this will adversely affect margins.

Operations

The regulatory issues discussed above made it difficult to increase production and sale of iron ore. In addition, there were natural disruptions like extended monsoons in Goa. Sesa Goa launched several internal operational initiatives to overcome these adversities. These have helped the Company to produce 18.8 million tonnes of iron ore (21.1 million tonnes on a WMT basis), which is almost in line with the 19.2 million tonnes (21.4 million tonnes on a WMT basis) of the previous year.

Sesa Goa operates mines in Goa and Karnataka. While for most of the mines, the Company has direct ownership in the form of mining leases from the state governments, some of these are under third-party operations. Table 3 gives the Company's production data across different states.

Table 3: State-wise production volumes (in million tonnes)

	2010-11	2009-10
Goa	14.4	13.8
Karnataka	3.0	3.7
Orissa	1.4	1.7
Total	18.8	19.2

Note: As international sale prices are quoted in dry metric tonne (DMT), all our iron ore volumes are reported on a DMT basis, versus the earlier basis of wet metric tonne (WMT).

The third-party mining contract for the Thakurani Mine in Barbil, Orissa expired on 30th November, 2010. Sesa Goa did not renew the mining contract because of unviable commercial terms. Thus, the Company has ceased its mining operations at the Thakurani mine from 1st December, 2010. With this, the Company has no mining operations in Orissa.

Iron Ore Mining: A Progress Report

A number of initiatives are being

undertaken to expand mining capacity and logistics at Goa and Karnataka. The goal is to increase production at Goa and Karnataka to 40 mt. These include additional investment in mining equipment, processing plants, barges, land and infrastructures at an estimated capital expenditure of around US$500 million.

We have made substantial progress on the logistics capacity: with a new railway siding already commissioned in Karnataka and work progressing on widening of the existing roads and building dedicated road corridors in both Karnataka and Goa.

We are also adding capacity in river and port logistics with five new barges already on stream.

Exploration

Any natural resource based business with long term growth priorities must be backed by strong exploration skills and efforts. At Sesa Goa, the exploration initiatives are driven by its focus on sustainable growth. With this objective, the Company is continuously looking to add more resources through exploration, acquisitions and also through new mine leases.

During 2010-11, six drilling rigs were deployed across leases in Goa and Karnataka. By 31st March, 2011, over 68,900 metres were drilled. This resulted in a gross addition of 53 mt to the Company's reserves, and resources base prior to a depletion of 21 mt in 2010-11. Table 4 gives the last three years resource addition and depletion.

Table 4: Sesa Goa's Iron Ore Reserves & Resources (R&R), are in million tonnes

	Gross Addition	Depletion	Acquisition	Total R&R
2008-09	54	16	-	240
2009-10	64	21	70	353
2010-11	53	21	-	306

Note: Total R&R at the end of 2010-11 is excluding Orissa mine which was included in earlier years.

As on 31st March, 2011, total reserves and resources at the mines that the Company held on lease and/or right to mine stood at 306 million tonnes. The reserves and resources position has been independently reviewed and certified as per Joint Ore Reserves Committee (JORC) standards.

Pig Iron

The Company's pig iron business is operated by its erstwhile subsidiary, Sesa Industries Limited (SIL), which has been merged with Sesa Goa Limited and now known as the Pig Iron Division (PID). Having commenced its operations in 1992, the PID was the first to introduce low phosphorous foundry grade pig iron in India.

Today, the PID produces several grades of pig iron, including basic, foundry and spheroidal (nodular) grades that cater to steel mills and foundries in India and abroad. PID also produces slag as a by-product which is sold to the cement industries.

The demand for pig iron fluctuated throughout the year. Overall, production reduced by 1% from 280,130 MT in 2009-10 to 276,117 MT in 2010-11. However, market prices improved and the PID managed better sales realisation in 2010-11.

The key data are given below.

- Sales volumes decreased by 5% from 278,747 MT in 2009-10 to 266,090 MT in 2010-11.
- However, external sales revenues increased by 22% from ₹ 552 crore in 2009-10 to ₹ 674 crore in 2010-11.
- Profits before interest, tax, dividends and other non-recurring or non-allocable incomes for the pig iron business increased by 21% from ₹ 117 crore in 2009-10 to ₹ 141 crore in 2010-11.

The PID's facility, located in the village of Amona, Bicholim taluka, North Goa, consists of two blast furnaces — each having a working volume of 173 cubic metres, with a combined annual rated capacity of 250,000 MT of pig iron, with a consent capacity of 292,000 MT. The plant adheres to the best standards of quality, environment, health and safety. It is certified to ISO–9001, ISO–14001 and OHSAS–18001 systems for quality, environment and safety respectively, through a third party certification agency, Bureau Veritas Certification (India) Pvt. Ltd., formerly known as BVQI. The PID's R&D activities have resulted in reduction in operating costs, improvement of product quality and development of new products for downstream industries. It has developed special grades of pig iron to cater to the fast growing niche market of ductile iron castings in India.

The Company's expansion project is progressing well — after which the rated capacity of the pig iron plant will increase from 0.25 million tonnes per annum (MTPA) to 0.625 MTPA, along with expansion of the metallurgical coke plant, a new sinter plant and a 30 MW power plant based on waste heat recovery. Commissioning is expected in Q3, 2011-12.

Met Coke

Sesa Goa's met coke division is operated as an independent business unit. The business is primarily a backward integration initiative to support the pig iron operations 70% of the met coke output was consumed internally in 2010-11.

The met coke plant at Amona produces a range of coke fractions from over 70 mm for foundries, 20 mm to 60 mm for blast furnaces, and 6 mm to 25 mm for the ferrous alloy industries. The product is mainly of low ash coke. The principal input, low ash coking coal, is imported. To ensure stable raw material supply, the Company enters long-term procurement contracts. Coking coal is carefully blended with accurate controls to produce the desired high quality low ash met coke, using the cost-effective proprietary Sesa Energy Recovery Coke Making Technology. This process produces high quality met coke, and has the lowest pollution levels among comparable technologies.

There was moderate growth in production and external sales. However, profit margins increased significantly due to higher sales realisation with an increase in global prices of met coke.

- Sales volume (internal & external) was at 252,074 MT in 2010-11.
- External sales revenues increased by 6% to ₹ 152 crore in 2010-11.
- Profits before interest, tax, dividends and other non-recurring or non-allocable incomes for the met coke business increased by 161% to ₹ 89 crore in 2010-11.

In line with the expansion of the pig iron facility, the Company is also expanding its met coke production capacity by another 280,000 MT per annum, which will increase the total production capacity to 560,000 MT per annum.

Sesa Goa has developed a technology for energy recovery in coke making. This is environment friendly, characterised by low capital and operating costs, high levels of energy recovery, and has the capability to produce high quality metallurgical coke. The Company has received a European and an Indian patent for this technology.

In addition, the Company has introduced a German technology for densification of coal charge, employing vibro-compaction for producing stable coal cake with bulk density. The met coke division has also set up a state-of-the art coal carbonisation laboratory for coal characterisation and evaluation of coke quality.

Human Resource (HR)

The primary goal from a HR perspective is to a build a robust and agile world class organisation with a culture of high performance embedded in a value system that promotes respect for individuals, diversity and entrepreneurship.

In 2009-10, the organisation was recast into SBUs. The Company has continued this transformation exercise through various people development initiatives. In the course of 2010-11, a number of learning initiatives were carried out. These included management development programmes for graduate engineers, training on structured problem solving, technical as well as behavioural aspects, and safety. During 2010-11, 5,900 man-days of training was imparted.

The Company has a special focus to identify and nurture leadership talent within the organisation. Assessment Centers were conducted to identify high potential employees to be designated as "Star of Business". In 2010-11, 34 such stars were identified, and individual development plans were created to ensure their career progression in the Company with challenging roles and assignments.

The Gen-next Operational Leadership (GOLD) programme launched in the previous year continued into 2010-11. The first batch completed the programme successfully & a second batch of 37 high potential employees has been inducted.

Equity-based awards in the form of a long term incentive plan (LTIP) are offered to recognise key, high performing employees of the Company. LTIP facilitates alignment of the interests of management, including younger high potential future leaders, with those of the shareholders. It has proved to be an effective motivational and retention tool for high calibre people.

The Company has also rolled out web-based initiatives called 'Any-time Learning' and an e-library. Through self-learning modules, these platforms encourage knowledge sharing and provide opportunities for employees to upgrade their technical and managerial skills.

During 2010-11, an innovative method of workforce engagement called the 'Idea Mela' was undertaken, which was aimed at collecting employee suggestions. Most workforce ideas were related to productivity improvement, cost reduction, better safety / environment practices, quality improvement and employee welfare. Over 5,000 ideas were collected from 2,000 employees, of which 75% were from workmen. Some 600 ideas were considered feasible. These are being implemented. Already, the ideas have resulted in a cost saving of ₹ 2.5 crore.

To promote operational efficiencies and be in tune with global best practices in mining and other functions, employees attended different training programmes, conferences and visited some of the world's best mines during 2010-11. Areas of study included benchmarking, mergers and acquisitions, sustainable development, mining logistics and climate change.

Risks and Uncertainties

Sesa Goa has a robust system of internal controls that helps protect the interests of the Company and its assets from unauthorised use or disposition. This includes a system of documented policies, guidelines and procedures, reviews by management and extensive internal audits by reputed international audit firms.

As with any enterprise, Sesa Goa faces several risks. The main macro-level risks are given below.

Market Risks

Sesa Goa exports over 85% of its iron ore production. Being a player in the global seaborne iron ore market, the Company's business is exposed to adversities in demand and supply. Moreover, with 77% of sales being exported to China, any slowdown in that economy can affect the Company's business. There are two mitigating factors. First, Sesa Goa's share of total Chinese iron ore imports is small, and there continues to be various opportunities in China for the Company to increase its market presence. Second, Sesa Goa's low operations cost also acts as a significant assurance of its ability to ride out short term adverse market conditions. The Company continues to work towards diversifying its customer mix in terms of geography.

Regulatory Risks

The mining sector in India is subject to an uncertain regulatory environment. Being a major mining company, Sesa Goa has exposure to these uncertainties. In the last few years there has been several negative developments in the export duty on iron ore. In 2010-11, it was increased to 20% for iron ore lumps and fines. Export bans are periodically applied to various ores — such as the one that occurred in the state of Karnataka in 2010-11. Environmental regulation policies also remain unclear; and case-to-case administration of such regulations leads to uncertainty and risk in mining activities.

Production Risks

Sesa Goa adopts a sustainable production platform. Consequently, the addition of new mineral resources is critical for sustaining growth oriented mining and production plans. As on 31st March, 2011, Sesa Goa has total reserves and resources at 306 mt. It continues to focus on adding new mineral resources through exploration and the grant of new mining leases from central and state governments. In the last three years, the Company has added over 170 mt to its gross reserves and resources through exploration activities and 70 mt through acquisition. There are risks in terms of getting the final government clearances for increasing our current production capacities. Besides, delays in allocation of new mineral leases or changes in the policy on allocation of such leases in favour of captive steel companies could affect future plans of the Company.

Project Execution Risks

Sesa Goa's aggressive growth plan initiated in 2009-10 has resulted in investments in several developmental projects. Many of these are linked to creating the underlying infrastructure to support logistics of ore. In addition, in 2010-11, the Company has taken over the upcoming steel plant assets of Bellary Steel and Alloys Limited. All these new investments require project management skills, and have exposure to project execution risks.

Currency Risks

With a majority of its iron ore being exported, Sesa Goa's revenues are primarily quoted in US dollars. This gives the Company significant exposure to foreign exchange fluctuation risks, particularly in relation to the US dollar.

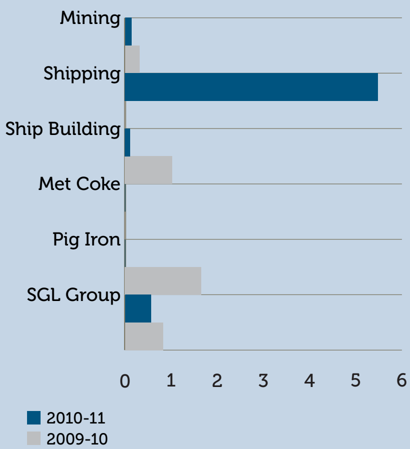
Industry Risks

Iron ore production is concentrated in the hands of a few — with the top three producers accounting for more than 70% of the global seaborne iron ore trade. Such scale provides these players with a significant ability to affect competition, and pose a potential threat to the Company's exports. Sesa Goa continues to focus on building relationships with the major customers and in geographically diversifying its customer base.

Sustainable Development

LTIFR reduced by 60% over a period of 5 years

Chart H: FSI measures



Sesa Goa is committed to create value for its stakeholders in a sustainable manner, minimise adverse environmental impacts, and work in cohesion with the community, government bodies, non-governmental organisations and other groups. Health, safety and environment (HSE) and corporate social responsibility (CSR) are of paramount importance to Sesa Goa. In addition, the Company's sustainable development model promotes efficient use of resources such as energy and water, minimises the negative impact on biodiversity, and reduces waste and emissions including greenhouse gases.

As a part of its sustainable development communication and reporting system, Sesa Goa produces every year its Sustainability Development Report, complaint to GRI G3 guidelines and maintaining its appliction level A+ since last 3 years. All the reports are also available on GRI website apart from the Companies website.

The Company is signatory to UN Global Compact from 2009-10, and submitting the communication of progress to the principles of UNGC.

Health, Safety and Environment (HSE)

Sesa Goa's top management, through its HSE Committee, steers the Company's initiatives by setting annual targets and reviewing progress. The emphasis is on integrating HSE with the decision-making process. Today, all the Company's locations are certified for ISO 9001, ISO 14001 and OHSAS 18001 — except Sesa Resources Limited, which is yet to be certified for OHSAS 18001. Sesa Goa has well qualified HSE and CSR teams across all its operations. At present, there are 54 such professionals.

Occupational Health

The Company aims to provide a workplace that is free from hazards of occupational illness. The health of all employees is checked annually across the group companies. In-house facilities for occupational health monitoring are available in the mines and the factory sites. Dust, noise and lighting levels are regularly monitored to ensure good workplace hygiene. Whenever a risk is identified, the Company takes early steps to quantify, control and prevent it through proactive measures.

The Company's doctors impart awareness about health education and related issues to the employees and local communities around its operations. The emphasis is on improving health and hygiene and preventing communicable diseases. During 2010-11, there were no occupational illnesses reported in Sesa Goa.

Safety

The Company aims for zero accidents and a safe working environment. This is promoted through a well established system of checks and balances, and the reporting of accidents and incidents, including the near-misses. These are thoroughly investigated to identify systematic safety deficiencies. On identifying such gaps, preventative measures are put in place.

There is sharing of safety lessons learned and best practices through exchange of information across the group. The organisation encourages employee participation in safety committees and safety promotional programmes. New initiatives are regularly introduced for continual improvement in safety performance.

Chart H shows that for the Company as a whole, the frequency and severity of accidents (FSI) has declined from 0.93 in 2009-10 to 0.50 in 2010-11. FSI increase in the

- In 2010-11, the Company has been able to maintain specific energy consumptions at 0.106 giga joule per MT (GJ/MT) of output in mining.
- For the PID, it reduced from 0.560 GJ/MT in 2009-10 to 0.501 GJ/MT in 2010-11.
- In met coke, it reduced from 0.139 GJ/MT in 2009-10 to 0.136 in 2010-11.

shipping business is because of a fatality occurred at one of our jetty where a barge sailor lost his life in an unusual accident. The met coke plant achieved zero lost time injury incidents for the second consecutive year and the pig iron division has also achieved zero lost time injury incidents during 2010-11.

Environment

Mining is about exhausting natural resources. Thus, it is important to replenish as much as possible and extract ore with minimal peripheral damage to the environment. Sesa Goa is conscious of this challenge. From planting trees at the mining sites to conserving water, managing solid waste and reducing energy consumption, the Company takes many steps towards environment conservation and minimising the impact of mining on the surrounding environment and society.

The Company's responsibility does not end with operating the mines. It extends after the mine site is closed. Sesa Goa ensures regeneration of the earth that has been mined, helps sustain the biodiversity and addresses the needs of local communities. In the long term, the goal is to restore the land to as close to its original state as possible.

The Company has a full-fledged environment management team to plan, implement and monitor environment management programmes. The focus is on:

- Pre-planning of mining operations.
- Adoption of new and efficient technologies.
- Modernisation of equipment.
- Implementing new ways of operating to minimise the negative impact on environment.
- Conserving natural resources through efficient use.

Energy Conservation

Sesa Goa has established and implemented clear energy conservation targets, which vary from 3% to 5% reduction of specific energy consumption across all locations. Projects for energy conservation are identified and undertaken in a systematic manner and are reviewed every quarter to ensure the targets are actually achieved.

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- In met coke, it reduced from 0.139 GJ/MT in 2009-10 to 0.136 in 2010-11.

Water Conservation

The main focus on the water management is on reducing fresh water consumption, increasing the use of harvested rain water, reducing specific consumption, and increasing recycling and re-use of treated effluent. The Company follows the concept of zero discharge, with a robust system to undertake and monitor tight water conservation targets every quarter. Water managers are located at each of the sites to identify water conservation projects in consultation with the operating team.

Water conservation is managed through:

- Continuous use of recycled water for mining operations and for beneficiating iron ore, thereby reducing freshwater consumption by about 70%.
- The rainwater accumulated in mine pits is used for beneficiation and spraying. The tailings generated during beneficiation are treated and water is then recycled back.
- The water requirement of the pig iron and met coke plants is met from rainwater harvested in the exhausted Sanquelim mine pit and partly through government supply.
- In case of Karnataka operations, ground water is used to meet dust suppression requirements. This is supplemented by rainwater harvesting in ponds during the monsoon, which is also used for the nursery plantations.

Total water consumed in mining operations has reduced from 14.9 million kilolitres in 2009-10 to 11 million kilolitres in 2010-11.

Climate Change

Climate change is an important aspect to Sesa Goa. The Company has undertaken steps to measure its impact on the environment by periodically mapping its carbon footprint. The registration of the 'Waste Heat Recovery Based Power Plant Project' with the UN Framework Convention for Climate Change (UNFCCC) has led to generation of carbon revenue — which not only makes the project sustainable but also creates an additional revenue stream. 1,00,438 CERs was accrued during 2010-11.

During the year, Sesa Goa was selected as one among the 10 leaders for CDLI (Carbon Disclosure Leadership Index) shortlisted companies from 200 CDP (Carbon Disclosure Project) respondents and published in the CDP report 2010, India 200.

Waste Management

Sesa Goa adopts a '4R' waste strategy - reduce, recycle, reuse and reclaim. The focus is on improving material efficiency; reducing waste generation; and enhancing recovery and reuse of discarded material. The mining, beneficiation, metal extraction and coke making activities result in the generation of both hazardous and non-hazardous waste. An example of waste management is given below.

Iron ore tailings contain iron concentrations of around 45%. Due to increasing cost of land and scarcity of mining assets, it makes economic and environmental sense to reduce the proportion of tailings in the beneficiation process. This was achieved by adding Wet High Intensity Magnetic Separation (WHIMS) units to the beneficiation plants. Due to this innovation, there was a gain of ~11,000 tonnes per year of usable iron ore, representing around 2% of the feed material.

Corporate Social Responsibility (CSR)

Sesa Goa's approach to community development is holistic and long-term. Public Private Partnerships (PPP) and community consultation are the core drivers of the Company's work with communities. It engages with its stakeholders by a consultation process. This, coupled with base line studies and need-based assessments, provide the framework for developing the various social interventions. Sesa Goa partners with like-minded organisations in most of the projects, such as government agencies, NGOs, local communities and panchayats.

Sesa Community Development Foundation

The Sesa Community Development Foundation, initiated by the Company, is registered under the Societies Act. The Foundation's core focus is to foster the development of the community and youth around Sesa Goa's areas of operations in Goa through providing technical education and sports training as well as various community development initiatives. Some initiatives are listed below.

Sesa Technical School (STS)

The Sesa Technical School was established in 1994 on an old iron ore mining workshop at Sanquelim. STS aims at providing the youth in and around Sesa Goa's mining operations with technical skills and knowledge to enable them earn a living. STS students specialise in becoming machinists, fitters, electricians or instrument mechanics, and secure placements in various nearby companies. For the last several years, STS has maintained 100% results in the Industrial Training Institute (ITI) trade examinations.

Since the inception 16 batches have been rolled out making 726 young Goan's employable till date on their own merit.

Sesa Football Academy (SFA)

To nurture the talent of Goa's young footballers, SFA was established in 1999 to offer junior level training at Sanquelim, Goa. Its senior level academy began operations from June 2008 at Sirsaim, Goa.

Junior Academy

It houses 36 Goan boys. Once in two years, boys in the age group of 14 to 16 years are selected on merit and are provided with professional football training as well as formal education. The team has won many championships and its graduates play for top teams of the country.

Senior Academy

For the last 3 years, Sesa Goa's Senior Academy has been an active participant in the Goa Professional League, besides participating in the Second Division of the I-League, the Governor's Cup and various other tournaments. Within two years of the senior academy coming into being, eminent clubs have approached students for recruitment

Sesa has two football grounds in Goa created in restored mining land. To further nurture the young talent, a new infrastructure at Sirsaim was inaugurated last financial year. Built at an estimated cost of over ₹4 crore, it has an all-season football turf, a hostel facility that can accommodate 30 boys, an in-house gymnasium, indoor sports hall, audio visual room and sauna bath facilities.

In March 2011, Sesa Football Academy (SFA) signed Mr Terry Phelan, a former English premier league footballer, who represented his country, the Republic of Ireland, in the 1994 FIFA World Cup as the chief mentor for significantly developing the Academy. The SFA has also appointed Libero Sports — a subsidiary of the US-based Libero Sports LLC — as its strategic marketing consultants.

Development of Social Infrastructure

Sesa Goa believes that building appropriate infrastructure can help develop communities. The Company's infrastructure development initiatives include:

- Water pipeline at Bagwada, Pilgaon, Bicholim as a part drinking water facility to the villagers. The beneficiaries are 102 villagers.
- Constructed 115 metre water canal at Kalsai, Kirlapal Dabal village in Goa. The beneficiaries were 40 farming families.
- Constructed compound walls and other infrastructure for primary, middle and high school at Goa and Karnataka.
- Constructed a large community hall in village of Navelim, Goa.
- Constructed concrete cement road connecting the village of Medikeripura in Karnataka.
- Constructed the Community Medical Centre at the village of Megalahalli in Karnataka.
- Constructed watershed development and drainage systems at several villages adjoining the Company's mines in Karnataka.
- Created drinking water facility for around 1,500 people at the village of Playa in Karnataka.
- Distributed smokeless biomass stoves to around 700 families in Karnataka.

Education

Education has been one of the major focus areas of the Company's CSR initiatives. Given below are examples of the education initiatives.

- Project Manthan: A school-based intervention for promoting adolescent health and improving educational outcomes. A total of 13 schools are covered under the project, with over 2,600 students as beneficiaries.
- Launched a scholarship scheme called the 'Sesa Dnyanjyoti Shishyavritti' for

meritorious students from Standard 5 to Standard 12. It has benefited 292 students from 57 schools.

- Launched the Vedanta Computer Education Programme called 'E-shiksha' in 295 schools in Goa and 250 schools in Karnataka.
- Distributed notebooks to students of several schools in Karnataka and Goa.
- Conducted vocational tuition classes in Karnataka benefiting over 900 high school students.
- Started evening study centres in villages of Karnataka for Standard 3 to Standard 7 students.
- Distributed balwadi play equipment to 20 balwadis, involving 400 children.
- Set up an orientation and mobility course for poor, visually impaired students. 20 students were taught various skills like negotiating steps, recognising places and daily living skills. During the 75-day course, these students were offered free boarding and lodging.

Health Initiatives

Some of the key health initiatives of 2010-11 are given below:

- There are 10 community medical centres running around Sesa Goa's mines and operational areas. Till March 2011, these have benefited around 118,000 people.
- A mobile health unit was launched for the South Goa mines, which covers over 33,670 people.
- An anaemia detection and treatment campaign was conducted in the villages of Pissurlem and Advalpal in Goa, which benefited over 300 women.
- Reproductive child health camps were organised at the villages of Mulgao, Piligaon, Mayem and Surla in Goa, which were attended by 645 women.
- Organised free eye screening camps in Goa and Karnataka, which has led to eye surgery, cataract operations and free spectacles to those who were affected.
- Organised a cancer awareness and detection campaign in the villages of Pissurlem, Cudnem and Surla in Goa, which covered 133 women.
- As in previous years, organised a blood donation camp on 1st December, 2010, the World AIDS Day, where 199 company employees donated blood.

Sustainable Livelihood

Agriculture Livelihood Promotion

Agriculture is the main source of income in rural areas. But today, it is suffering due to various reasons, such as high input costs, low returns, shortage of skilled manpower, lack of interest in farming and inclination towards white-collar jobs. Sesa Goa's CSR philosophy aims to enhance the economic life of villagers by improving farming systems, as well as developing micro enterprises to provide alternative means of livelihood.

The learnings gained through the Back to Farming project initiated in Wagona, Kirlapal Dabal panchayat in Goa motivated Sesa Goa to replicate it in Cudnem and Navelim — also in Goa. The project involved:

- Organising awareness programmes/meetings of farmers along with village panchayat members.
- Providing guidance on best agricultural practices, improved technologies, hybrid seeds, proper application of fertilisers, etc.
- Facilitating farmers in availing government subsidy on mechanised ploughing of fields and contributing to residual share.
- Distributing free of cost paddy seeds, organic manure, chemical fertilisers, irrigation facilities, fencing of fields, etc.
- Repairing of sluice gates, bandharas, bandhs, etc.

Sustainable Livelihood through Agriculture

For the effective implementation of agriculture-based community projects, Sesa Goa has tied up with Betki Khandola Panlot Sangh

(BKPS), a water-shed organisation registered under the Societies Act. At Wadiwada (Goa), farmers cultivate rice and vegetables in fields next to the river Mandovi. Over the years, a bandh meant to prevent saline water from entering the fields had got damaged at many places. A group of 15-20 beneficiaries took up the task of strengthening the bandh. Today,

there is a strengthened bandh that is 1 km in length and with a width of 2.5 metres.

Inland Canal De-Silting in Bagwada

In Bagwada (Goa), an inland water canal had not been de-silted several years — resulting in flooding of the fields during high tide, thus making it unfit for cultivation. The project was taken up. Around 600 metres canal was de-silted, benefiting about 70 farmers.

In addition, several farmers were facilitated with fertilisers and farming machineries like power tiller, weed cutting machines, etc. Other initiatives included training programmes for women self-help groups on making artificial jewellery, which were conducted in Amona-Navelim through the Amona Panlot Sangh.

Accolades

Sesa Goa won several awards during 2010-11 in various categories. Some of these are listed below.

- Awarded the Goan Achievers Award for Corporate Social Responsibility at an award function organised by Navhind Times and Viva Goa Magazine in Goa on 28th March, 2011.
- Won the Environmental Sustainability Excellence Award 2010-11, by the Indian Chamber of Commerce at Kolkata on 9th March, 2011.
- Conferred the award of being an 'Excellent Water Efficient Unit — Beyond Fence' at the Seventh Award for Excellence in Water Management 2010, organised by the Confederation of Indian Industry (CII), Godrej Green Business Centre.
- Excellence award for Afforestation for Sanquelim and overall performance Award for Codli Mines by Indian Bureau of Mines (IBM).
- Sesa Goa received British Safety Councils International Safety Award 2011 for its 5 units.
- Pig Iron Division and Met Coke Division received the 'Gomantak Suraksha Patra' for safety performance for 2009 during an award function organised by the Green Triangle Society of Goa, in collaboration with Inspectorate of Factories & Boilers, in May 2010.
- Received the best performer award instituted by Financial Express–EVI in the Metals and Mining category for its contributions towards the environment and the excellence in the area of Green Businesses.
- Won the runners up trophy for the Best Corporate Social Responsibility Award for its Alternate Livelihood Project by Bombay Stock Exchange at its Sixth Social and Corporate Governance Awards 2010, on 16th December, 2010 at Mumbai.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the steel and iron ore sector, significant changes in political and economic environment in India, exchange rate fluctuations, tax laws, litigation, changes in environment regulations, labour relations and interest costs

Case Study:

Enrichment of low grade iron ore fines for better resource utilization

Approach and Deployment: Iron ore tailings contain iron concentrations of around 45% or more, it may become economically viable to extract the iron content from tailings, and due to the high cost of land and environmental factors it is worthwhile attempting to minimize tailings pond volumes. This reduction in tailing volume could be achieved by adding Wet High Intensity Magnetic Separation (WHIMS) units to beneficiation plant. An in-depth study by our technical team along with international experts was carried to implement the detailed process and practices were also observed in other similar industries. It was decided to install advanced vertically mounted pulsating WHIMS instead of alternative technique of Floatation to get higher usable iron ore cyclones fines recovery from tailing products. The installation of WHIMS plant will enable resource recovery, reducing the quantity of tailings by about 50%.

Innovation accomplished in practice and results:

Chemical analysis of tailing samples indicated the presence of Fe ~45%, SiO_2 ~18% and alumina ~5%. It was observed that Fe could be increased to 60-62% by the WHIMS process, which would also reduce SiO_2 and Al_2O_3 content by 50%. In addition to the economic benefit from the utilization of the waste as a resource which minimizes additional land requirement. "This is one of the path breaking techniques to recover usable iron ore from tailings". Hence management decided to replicate this best practice to all the other processing plants and implementation has already started in all units.

Due to this innovation, a gain of ~11,000 tonnes/annum (at the rate of ~2% of plant feed material) usable ore recovered.

WHIMS

SMBP, Surla

Directors' Report

To the Members,

The Board of Directors presents the Annual Report of the Company together with the Audited Statements of Account for the financial year ended 31st March, 2011.

This report, therefore, is drawn for the Company on a stand-alone basis.

	2010 -2011 (₹ in crore)	2009 -2010 (₹ in crore)
Profit before provisions for depreciation and tax	4,468.93	2,715.47
Less: Depreciation	83.13	57.38
Provision for Tax		
- Current Tax	963.00	538.00
- Deferred Tax	(10.00)	2.00
Profit after depreciation and tax	3,432.80	2,118.09
Add: Balance brought forward from the preceding year	297.70	95.57
Transferred on amalgamation of Sesa Industries Ltd.	283.48	-
Profit available for appropriation	4,013.98	2,213.66
Appropriations		
Proposed dividend/final dividend	304.18	270.06
Tax on distributed profit	49.35	45.90
Dividend for 2009-10 in respect of Foreign Currency Convertible Bonds converted during the year (inclusive of dividend tax of ₹ 0.51 crore)	9.85	-
Dividend to shareholders of erstwhile Sesa Industries Limited on amalgamation (inclusive of dividend tax of ₹ 1.83 crore)	12.88	-
General Reserve	2,500.00	1,600.00
Balance carried to Balance Sheet	1,137.72	297.70
	4,013.98	2,213.66

In accordance with the requirements of the Listing Agreement, a consolidated Financial Statement of the Company is included in this Annual Report. The consolidated profit after tax for the group for the year ended 31st March, 2011 is ₹4,222.45 crore as against ₹2,639.04 crore for the previous year. The basic earnings per share (of ₹1 each) (excluding minority interest) works out to ₹49.17 as against ₹32.41 for the previous year.

Amalgamation of Sesa Industries Limited with Sesa Goa Limited

The Hon'ble Supreme Court of India has vide Order dated 7th February, 2011, upheld the Order of the Single Judge of High Court of Bombay at Goa dated 18th December, 2008 approving the Scheme of Amalgamation of Sesa Industries Limited (SIL) with Sesa Goa Limited (SGL) with appointed date of 1st April, 2005.

Consequently the Board of Directors, at its meeting held on 12th March, 2011 allotted 9,398,864 equity shares of face value of ₹1/- each bearing distinctive numbers 859,702,560 to 869,101,423 to the shareholders of erstwhile SIL, holding shares as on Record Date, i.e. 28th February, 2011 and approved distribution of dividend to the aforesaid allottees in terms of the Scheme of Amalgamation equivalent to ₹ 11.75 per share of face value of ₹ 1/-. As a result of allotment, the paid up share capital of the Company has gone up from ₹ 859,702,559 to ₹ 869,101,423.

Consequently, the figures of the Pig Iron segment for 2010-11 were incorporated in the company's results in the quarter ended 31st March, 2011. The figures for 2010-11 are therefore not comparable with those of 2009-10 on stand-alone basis.

Dividend

The board of directors has recommended a dividend of ₹ 3.50 per equity share of ₹ 1/- each for 2010-11, as against ₹ 3.25 per equity share of ₹ 1/- each declared in 2009-10.

Operations

A summary on a stand-alone basis of the sales turnover and the working results is given below:

(All money values are net of freight)	2010 – 2011		2009 – 2010	
	Qty. in million tonnes	Value in ₹ crore	Qty. in million tonnes	Value in ₹ crore
Sale of Iron Ore*	14.7	6,736	15.2	4,238
Direct Exports	12.5	6,219	14.1	4,027
Other Sales	2.2	517	1.1	211
Sale of metallurgical coke	0.08	141	0.27	357
Sale of Pig Iron	0.27	664	–	–
Profit after Tax	–	3,433	–	2,118

* Includes 0.312 mt (amounting to ₹ 99.44 crore) transferred to pig iron division.

Note: Quantitative numbers are reported in DMT basis.

Sesa Goa produced 14.8 million tonnes of iron ore and sold 14.7 million tonnes of iron ore in 2010-11. This was marginally lower than the 16.0 million tonnes produced and 15.2 million tonnes of iron ore sold in 2009-10.

The Company's production and sales were adversely affected by the imposition of ban on exports of iron ore in Karnataka by the Government of Karnataka (GoK), logistical hurdles and the extended monsoon in Goa which hampered mining and logistics operations. Logistic hurdles were also faced in Orissa.

During end July 2010, the Government of Karnataka (GoK) issued a notification to ban iron ore exports from ten minor ports and in the process stopped all the iron ore exports from the State. While this was aimed at curbing illegal mining, it completely stalled operations of existing regular miners like Sesa in Karnataka. On 5th April, 2011, the Supreme Court issued a ruling to lift the Karnataka iron ore export ban from 20th April, 2011.

In 2010, Chinese import of iron ore reduced by 3.7% in terms of volume. Much of this was on account of supply side constraints in major iron ore producing countries. Brazil also suffered from production shortfalls due to heavy rainfall; while in India, the export ban in Karnataka affected volumes. Both these countries are also facing several environmental restrictions in increasing iron ore exploration and production. In addition, development of port capacities and inland logistics in Brazil and India has not been in pace with growing requirements of the seaborne iron ore trade.

In an environment of strong demand, these supply-side constraints resulted in a steady increase in iron ore prices. Consequently, sales realisation per MT of iron ore sold increased drastically over the course of 2010-11. This contributed to a increase in external sales revenue of iron ore by 62% from ₹ 5,170 crore in 2009-10 to ₹ 8,387 crore in 2010-11.

On the cost front, there were some developments that adversely affected Sesa Goa's operations. The railway freight meant for export has continuously increased and on 28th February, 2011 Government of India increased the export duty for iron ore lumps from 15% to 20%, and that on fines from 5% to 20%. Despite these external adversities, the Company maintained its margins and delivered strong profits.

Your Company has successfully integrated the Sesa Resources (erstwhile Dempo) iron ore operations that were acquired in the previous financial year in our operations.

Exploration

Sesa Group continued its strong focus on exploration activities at its operations at Goa and Karnataka. During 2010-11, 6 drilling rigs were deployed across leases in Goa and Karnataka. By 31st March, 2011, over 68,900 metres were drilled which resulted in a gross addition of 53 mt to its reserves and resources base prior to a depletion of 21 mt during 2010-11. In November 2010, the Company closed its third party operations at the Thakurani Mines in Barbil, Orissa as the contract renewal was not on favorable commercial terms.

Total reserves and resources as on 31st March, 2011 stands at 306 million tonnes. The reserves and resources position has been independently reviewed and certified as per JORC standard.

Pig Iron & Met Coke Business

For the pig iron business, sales volumes decreased by 5% to 266,090 MT in 2010-11.

However, with better market prices, sales revenues increased by 22% from ₹ 552 crore in 2009-10 to ₹ 674 crore in 2010-11. Pig Iron profits before interest, tax, dividends and other non-recurring or non-allocable incomes for the pig iron business increased by 21% to ₹ 141 crore in 2010-11

External sales revenues of met coke increased by 6% to ₹ 152 crore in 2010-11 and profits before interest, tax, dividends and other non-recurring or non-allocable incomes for the met coke business increased by 161% to ₹ 89 crore in 2010-11.

Expansion Progress

The iron ore capacity expansion programme is on track for completion by the end of 2012-13.

By then your Company aims to produce 40 mt in Goa and Karnataka. Expansion of the pig iron capacity to 625 ktpa and the associated expansion of metallurgical coke capacity to 560 ktpa are also progressing well for commissioning by Q3 2011-12

Acquisitions

During 2010-11, the Company announced two major investment decisions. On 16th August, 2010, your Company announced a potential acquisition of 20% stake in Cairn India Ltd. And, on 22nd March, 2011, it announced the acquisition of assets of Bellary Steel & Alloys Ltd ("BSAL").

Cairn India Limited

Your Company announced our participation in the proposed acquisition of Cairn India Ltd along with our parent Company Vedanta Resources plc. Sesa Goa will acquire 20% strategic stake in Cairn India under an Open Offer. If there is insufficient take up in the Open Offer, Sesa Goa will acquire the balance as part of the Vedanta Group's acquisition of a majority stake in Cairn India. The total cash consideration for the shares to be acquired is circa US$3 billion.

Sesa Goa received the clearance from Securities and Exchange Board of India ("SEBI") to proceed with the open offer of up to 20% of the shares of Cairn India, post which your company launched the open offer from 11th April, 2011 at a price of INR 355 per Cairn India share which closes on 30th April, 2011.

On 19th April, 2011, your Company acquired 200 million shares amounting to 10.4% stake in Cairn India from Petronas International Corporation Ltd ("Petronas") at a price of ₹ 331 per share through bulk deal on Bombay Stock Exchange Limited. This acquisition is in addition to the Open Offer launched by your Company on 11th April, 2011 and ends on 30th April, 2011.

Bellary Steel and Alloys Limited

The Company acquired the assets of the upcoming Steel Plant Unit of BSAL for an all cash consideration of ₹ 220.00 crore. BSAL was in the process of putting up a 0.5 mtpa Steel Plant Project at Bellary. The assets of the under construction plant acquired include a free hold land of around 700 acres, building and structures, plant and machinery and other assets of the Steel Plant. The assets have been transferred on an "As is where is" Basis to SGL.

Your Company is presently conducting a detailed assessment in order to determine the best way forward for commissioning the steel plant at the earliest. However, the acquisition has been challenged by JSW Steel Ltd in the Supreme Court of India, which has asked the parties to maintain status quo until the matter is decided.

Outlook

The Company remains optimistic on the demand and price outlook for Iron Ore in the Global Seaborne trade. In fact, the consensus expectations suggest a global deficit for the next 2 years on the back of supply constraints. In the longer term, however, prices, will come down as supply picks-up with several new investments coming on stream.

On the cost front, increased royalty rates, railway and road freight and export duty continue to exert pressure on the Company's margins. In addition, uncertain policies and slow progress on logistics infrastructure development will continue to affect volumes.

In this milieu, your Company reiterates its commitment to the medium term growth objective of achieving 40 mt of production by 2012-13 subject to certain statutory clearances. Sesa Goa remains focused on extracting the maximum internal efficiencies and operational productivity to develop the Company using its sustainable growth model. As with last year, we remain cautiously optimistic for overcoming challenges and delivering good growth in 2011-12.

ISO Certification

All the certificates under ISO: 9001-2008, ISO: 14001-2004 and OHSAS 18001-2007 for Quality Management, Environment Management, Occupational Health and Safety Management respectively, are being maintained by the Company after periodical surveillance audits.

Sesa Community Development Foundation

The Foundation runs two units, viz. the Sesa Technical School (STS) and the Sesa Football Academy (SFA). The Company's contribution during the year was ₹ 3.29 crore to the Foundation.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Particulars prescribed under Section 217(1) (e) of the Companies Act, 1956, are given in Annexure A, which forms part of this Report.

Ecology and Social Development

Your Company remains focused on improving the ecology and the environment. Its mine reclamation efforts have significantly improved the bio-diversity of the working as well as reclaimed mines. Successful replication of proven biotechnologies for mine land reclamation has become an integral part of the Company's resource planning process. Trials have also been conducted to utilise the reject dump area for floriculture and the cultivation of other forest products.

Sesa Goa accords high priority to the safety of its employees. Conscious efforts were made to improve safety practices across all the units. DuPont Safety Services, Internationally best known consultant in safety, were engaged to undertake the safety culture assessment across all the units.

The Company had published Sustainable Development Report for 2008-2009 and 2009-10 based on International Guidelines of GRI G3 with application level of A+ and has plans to publish at the same level in 2010-11.

Sesa Goa continued its focus on CSR activities with strong commitment in Stake holder engagement to understand the community needs. Company has associated with reputed CSR partners to implement the CSR programs. Notably among them is University of Agricultural Sciences Dharwad for Alternative Livelihood Methods for the communities around A. Narain Mine, Chitradurga, Karnataka, Gram Nirman-Codli with Mineral Foundation of Goa and Government of Goa and so on. Details on the Company's CSR and sustainable development initiatives are given in the chapter on Management Discussion and Analysis that forms a part of this Annual Report.

Awards

Your Company was awarded with the following prestigious awards during the year 2010-11

- Awarded the Goan Achievers Award for Corporate Social Responsibility at an award function organised by Navhind Times and Viva Goa Magazine in Goa on 28th March, 2011.
- Won the Environmental Sustainability Excellence Award 2010-11, by the Indian Chamber of Commerce at Kolkata on 9th March, 2011.
- Conferred the award of being an 'Excellent Water Efficient Unit — Beyond Fence' at the Seventh Award for Excellence in Water Management 2010, organised by the Confederation of Indian Industry (CII), Godrej Green Business Centre.
- Excellence award for Afforestation for Sanquelim and overall performance Award for Codli Mines by Indian Bureau of Mines (IBM).
- Sesa Goa received British Safety Councils International Safety Award 2011 for its 5 units.
- Pig Iron Division and Met Coke Division received the 'Gomantak Suraksha Patra' for safety performance for 2009 during an award function organised by the Green Triangle Society of Goa, in collaboration with Inspectorate of Factories & Boilers, in May 2010.
- Received the best performer award instituted by Financial Express–EVI in the Metals and Mining category for its contributions towards the environment and the excellence in the area of Green Businesses.
- Won the runners up trophy for the Best Corporate Social Responsibility Award for its Alternate Livelihood Project by Bombay Stock Exchange at its Sixth Social and Corporate Governance Awards 2010, on 16th December, 2010 at Mumbai.

Fixed Deposits

As reported last year, the Company has discontinued renewal of its fixed deposits on maturity. As on 31st March, 2011, all fixed deposits had matured. 11 deposits amounting to ₹ 1.56 lakhs remained unclaimed. All these depositors are regularly advised about maturity of their deposits and urged to claim these as soon as they can.

Safety

The FSI is an index which simultaneously takes into account both the frequency and severity of accidents. The Company's safety performance is given below:

Division	FSI	
	2010-11	2009-10
Mining	0.141	0.308
Shipping Division	5.477	0
Shipbuilding Division	0.106	1.019
Metallurgical Coke Division	0	0
Pig Iron Division	0	1.648
SGL Group	0.561	0.819

Group Structure

The Agarwal Group being a group defined under the Monopolies and Restrictive Trade Practices Act, 1969, controls the Company. A list of its group entities is given below:

Sr. No	List of Vedanta Group Companies	Country of incorporation
1	Mr. Anil Agarwal	
2	Anil Agarwal Discretionary Trust	Bahamas
3	Onclave PTC Limited	Bahamas
4	Volcan Investments Limited	Bahamas
5	Vedanta Resources Plc	Great Britain
	Direct Subsidiaries of the Parent Company	
6	Vedanta Resources Holding Limited	Great Britain
7	Vedanta Resources Jersey Limited	Jersey(CI)
8	Vedanta Resources Jersey II Limited	Jersey(CI)
9	Vedanta Finance (Jersey) Limited	Jersey(CI)
10	Vedanta Resources Investments Limited	Great Britain
11	Vedanta Jersey Investments Limited	Jersey(CI)
	Indirect Subsidiaries of the Parent Company	
12	Bharat Aluminium Company Limited	India
13	Copper Mines Of Tasmania Pty Limited	Australia
14	Fujariah Gold	UAE
15	Hindustan Zinc Limited	India
16	The Madras Aluminium Company Limited	India
17	Monte Cello BV	Netherlands
18	Monte Cello Corporation NV	Netherlands
19	Konkola Copper Mines PLC	Zambia
20	Sterlite Energy Limited	India
21	Sesa Goa Limited	India
22	Sesa Resources Limited	India
23	Sesa Mining Corporation Limited	India
24	Sterlite Industries (India) Limited	India
25	Goa Maritime Private Limited	India
26	Sterlite Opportunities and Venture Limited	India
27	Sterlite Infra Limited	India
28	Thalanga Copper Mines Pty Limited	Australia
29	Twin Star Holding Limited	Mauritius
30	Vedanta Aluminium Limited	India
31	Richter Holding Limited	Cyprus
32	Westglobe Limited	Mauritius
33	Finsider International Company Limited	Great Britain
34	Vedanta Resources Finance Limited	Great Britain
35	Vedanta Resources Cyprus Limited	Cyprus
36	Welter Trading Limited	Cyprus
37	Lakomasko BV	Netherlands
38	THL Zinc Ventures Limited - Former THL KCM Limited	Mauritius
39	Twinstar Energy Holdings Limited - Former THL Aluminium	Mauritius
40	THL Zinc Limited - Former KCM Holdings Limited	Mauritius
41	Sterlite (USA) Inc.	USA
42	Talwandi Sabo Power Limited	India
43	Allied Port Services Pvt Ltd	India
44	Konkola Resources Plc	Great Britain
45	Vizag General Cargo Berth Pvt. Limited	India
46	Twin Star Mauritius Holding Limited	Mauritius
47	Vedanta Namibia Holdings Limited	Namibia
48	Skorpion Zinc (Pty) Limited	Namibia
49	Namzinc (Pty) Limited	Namibia
50	Skorpion Mining Company (Pty) Limited	Namibia
51	Amica Guesthouse (Pty) Ltd	Namibia
52	Rosh Pinah healthcare (Pty) Ltd	Namibia
53	Black Mountain Mining (Pty) Ltd	South Africa
54	THL Zinc Holding BV - Former Labaume BV	Netherlands
55	Lisheen Mine Partnership	Ireland
56	THL Zinc Holding Cooperative U.A	Netherlands
57	Pecvest 17 Pvt. Ltd.	South Africa
58	Vedanta Lisheen Finance Limited	Ireland
59	Vedanta Base Metals (Ireland) Limited	Ireland
60	Vedanta Lisheen Mining Limited	Ireland
61	Killoran Lisheen Mining Limited	Ireland
62	Killoran Lisheen Finance Limited	Ireland
63	Lisheen Milling Limited	Ireland
64	Killoran Concentrates Limited	Ireland
65	Killoran Lisheen Limited	Ireland
66	Killoran Lisheen Holdings Limited	Ireland
67	Azela Limited	Ireland
68	Paradip Port Services Pvt Limited	India
69	MALCO Power Company Limited	India
70	Malco Industries Limited	India

Directors' Responsibility Statement

Your Directors confirm that:

(i) the applicable accounting standards have been followed along with proper explanations relating to material departures, if any, for preparation of the annual accounts;

(ii) the accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2011 and of the profits of the Company for that year;

(iii) proper and sufficient care has been taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud or other irregularities;

(iv) the annual accounts have been prepared on a going concern basis.

Directors

Mr. Ashok Kini and Mr. P. G. Kakodkar, Directors, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

The Board of Directors, at its meeting held on 19th July, 2010 appointed Mr. Jagdish Pal Singh as Additional Director of the Company. In terms of Section 260 of the Companies Act, 1956, he will be holding office up to the ensuing Annual General Meeting, and being eligible, offer himself for appointment.

Auditors

The Company's Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment.

Compliance Certificate

A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report along with report on Corporate Governance.

Listing

As stipulated under Clause 32 of the Listing Agreement, the names and addresses of Stock Exchange on which the Company's equity shares are listed are:

1) Bombay Stock Exchange Limited,
   Phiroze Jeejeebhoy Towers,
   Dalal Street, Mumbai - 400 001.

2) National Stock Exchange of India Limited,
   Exchange Plaza, Bandra Kurla Complex,
   Bandra East, Mumbai - 400 051.

Your Company confirms that Annual Listing Fees for the year 2010-11 have been paid.

Employees

Your Directors express their deep appreciation for the unrelented co-operation and support rendered by the employees at all levels of the Company. Your Directors wish to lay emphasis on safe working culture in the organization and urge all the employees to not only follow safety standards but also to excel in all safety parameters.

Statement of Particualrs of Employees as required in terms of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, is annexed hereto.

Acknowledgement

Our Chairman, Mr. S. D. Kulkarni, has stepped down from the Board w.e.f. 24th January, 2011 after serving the Company for 10 years. The Board of Directors would like to thank Mr. Kulkarni for his substantial contributions, and for guiding Sesa Goa to its pioneering position.

The Directors would like to thank the employees and employee unions, shareholders, customers, suppliers, bankers, regulatory authorities and all the other business associates of the Company for their confidence and support to its Management.

For and on behalf of the Board of Directors

Place: Panaji-Goa
Dated: 25th April, 2011

G. D. Kamat
Director

P. K. Mukherjee
Managing Director

Annexure-A to Directors' Report

Information as per Section 217 (1) (e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011.

(A) Conservation of Energy

Fuel consumption and engine emission levels of the barge fleet, transport vehicles and earth moving equipment, together with the optimisation of electrical energy consumption in all activities, remains a focus area of the Company. Waste heat from the coke ovens is being utilised in the power plant to generate clean electrical energy.

(B) Technological Absorption

Particulars with respect to Technology Absorption are given below in the prescribed Form B:

Research and Development (R&D):

1. Specific areas in which R&D have been carried out by the Company:

   The Company is looking for new process designs and applications of efficient machinery for iron ore beneficiation and mining on a continuous basis. Focus is also on towards process development work on the recovery of iron from tailings along with optimization of blend of various grades to achieve customer satisfaction and to conserve the iron ore resources.

   While the Company holds a patent in India for the system of producing metallurgical coke by the non-recovery method based on the technology that it has developed, the European Patent Office has cleared the innovation for grant of patent in Europe. The technology is continuously upgraded through various initiatives.

   The US Patent Office has allowed issuance of patent on company's latest innovation titled "Reduction of Sulphur-containing gases during conversion of coal into metallurgical coke".

   The Company has set up a state-of-the art Coal Carbonization Laboratory that is equipped with 1-tonne pilot non-recovery coke oven, developed in-house and is first of its kind in the non-recovery coke oven category, apart from modern facilities for coal characterization and coke quality evaluation. The facility is used for coal selection and optimization of coal blend.

2. Benefits derived as a result of the above R & D:

   Reductions in operating cost and environmental control improvement, besides optimizing the product mix as well as conservation of resource are the results of the above activities. The coke business will also be reaping benefits through upgrading of technology.

3. Future plans of action:

   Developmental work will continue to be carried out in all the above areas with a focus on cost reduction and quality improvement. The coke-making technology would be under continuous focus for further design improvements with an objective to reduce capital cost. Pilot oven facilities shall be used for maximizing cheaper semisoft coal through coal blend optimization tests

4. Expenditure on R&D:

	2010-2011 (₹ in crore)	2009-2010 (₹ in crore)
a) Capital	-	-
b) Recurring (revenue)	0.29	0.29
c) Total	0.29	0.29
d) Total R & D expenditure as a percentage of total turnover	0.004%	0.006%

Technology Absorption, Adaptation and Innovation:

1. Efforts made towards technology absorption, adaptation and innovation are outlined below:

   The Company maintains a close contact and continuous interaction with its principal shareholder, other consultants, its foreign associates, customers as well as with the suppliers of specialised equipment.

   Various innovative initiatives undertaken for enhancement of ecology have been detailed elsewhere above.

2. Benefits derived as a result of the above efforts are inter alia:

   a) Improved mining efficiencies and product quality control.

   b) Improvement in pollution control system.

   c) New design of coke ovens with better combustion control and improved conservation of heat energy.

   d) Improved and sustainable resource and environment management.

3. On completion of the research project conducted in association with the Microbiology Dept. of Goa University, Goa, mine land reclamation will become further effective.

(C) Foreign Exchange Earnings and Outgo

The Company's major foreign exchange earnings and outgo are on account of export of iron ore and import of coking coal respectively. During the year, foreign exchange earnings were ₹ 6,281 crore and outgo (including dividend remittance) ₹ 1,112 crore (details are given in Schedule 19). Hence, the net foreign exchange earning was ₹ 5,169 crore.

For and on behalf of the Board of Directors

Place: Panaji-Goa
Dated: 25th April, 2011

G. D. Kamat
Director

P. K. Mukherjee
Managing Director

Annexure-B to Directors' Report

Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forming part of the Directors' Report for the year ended 31st March, 2011

Sr. No.	Name of the Employee	Designation/ Nature of Duties	Gross Remuneration (₹ in Crores)	Qualification	Experience in Years	Date of Commencement of Employment	Age of the Employee (Years)	Last Employment held before joining the Company
1	2	3	4	5	6	7	8	9
(A)	Employed throughout the financial year							
1	Mukherjee P. K.	Managing Director	2.41	B.Com (Hons.) F.C.A., A.I.C.W.A.	31	14-04-1987	55	Ceat Tyres of India Ltd., Calcutta
2	Rai A. K.	Wholetime Director	1.29	B.Sc. Mining Engg. 1st Class Mine Manager's Certificate	35	14-04-1975	59	Sr. General Manager, Pig Iron Plant, Sesa Industries Ltd. Amona
3	Pradhan Amit	Wholetime Director	1.00	M.Sc.(Physics)	33	15-01-1990	56	Wholetime Director Sesa Industries Ltd.
4	Joshi A. N.	V P - Corporate Affairs	0.68	B.Tech (Mining Engg.) 1st Class Mine Manager's Certificate	33	03-07-1993	56	Visakhapatnam Steel Plant
5	Patil M. K.	A V P - HSEC	0.61	M.Sc. (Agriculture), MBA	22	15-04-1991	47	Zuari Agro Chemicals Ltd. , Goa
(B)	Employed for part of the financial year							
1	Czamarka Gustavo	Head - Iron Ore Marketing	1.37	B.A. (Economics), PGDBM , Master International Mgmt	16	30-08-2010	36	VALE Singapore
2	Patnaik Tapan	BM - Mining Eastern Region	0.81	B.Sc. Engg (Met)	31	20-09-1990	54	G M - Pig Iron Plant, Sesa Industries Amona Goa
3	Surendra K. V.	GM - Mining Karnataka	0.05	Diploma in Mining & Mine Survey	28	02-12-2002	48	V M Salgaocar & Bros. Pvt. Ltd.
4	D'souza Diogo A.	Head Mechanic I	0.05	Std. VII	38	20-12-1976	59	Laxmi Garage Mapusa
5	Ghogale Narayan N.	Sr. Mine Foreman	0.06	SSC	33	03-10-1980	60	M S Agrawal Minerals (Goa) Pvt. Ltd.
6	Rajanna Gowda M. V.	Asst. Manager - Mining	0.08	Diploma Mining Engg	39	01-04-1994	60	M/s Mineral Enterprises Pvt. Ltd. Chitradurga , Karnataka

Notes:

1. Remuneration as shown above includes Salary, House Rent Allowance, Performance Pay, Commission (in case of Managing Director), Company's Contribution to Provident Fund & Annuity Fund, Leave Travel Assistance and expenditure by the Company on accommodation, medical and other facilities, wherever applicable, as per contracts of service. In addition the Wholetime Directors/employees are entitled to Gratuity and they are also covered under Group Personal Accident Insurance Policy.
2. None of the employees mentioned above is a relative of any Director of the Company.
3. The nature of employment is contractual.
4. No employee holds by himself or alongwith his/her spouse and dependent children, two percent or more equity shares of the Company.

For and on behalf of the Board of Directors

Place: Panaji-Goa
Dated: 25th April, 2011

G. D. Kamat
Director

P. K. Mukherjee
Managing Director

CEO / CFO Certification

We, P.K. Mukherjee, Managing Director and Sushil Gupta, Director Finance, responsible for the finance function, certify that:

(a) We have reviewed the financial statements, read with the cash flow statement of Sesa Goa Limited for the year ended 31st March, 2011 and that to the best of our knowledge and belief, we state that;

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

(ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have not noticed any deficiency that need to be rectified or disclosed to the Auditors and the Audit Committee.

(d) During the year under reference-

(i) there were no significant changes in the internal control over financial reporting;

(ii) No significant changes in accounting policies were made that require disclosure in the notes to the financial statements; and

(iii) No instance of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

Place: Panaji-Goa
Date: 25th April, 2011

P. K. Mukherjee
Managing Director

Sushil Gupta
Director Finance

Report on Corporate Governance

The Securities and Exchange Board of India (SEBI) regulates corporate governance practices of companies listed on the Indian Stock Exchanges. These regulations are notified under Clause 49 of the Listing Agreements of all the Stock Exchanges in the country. They specify the standards that Indian companies have to meet, and the disclosures that they have to make, with regard to corporate governance. Sesa Goa Limited ('Sesa Goa' or 'the Company') has established systems and procedures to comply in letter and in spirit with the provisions of Clause 49 of the Listing Agreement. This chapter, along with the chapters on Additional Shareholders Information and Management Discussion and Analysis, reports Sesa Goa's compliance in this regard.

1. Company's Philosophy on Corporate Governance

Sesa Goa is committed to executing sustainable business practices and creating long-term value for all its stakeholders. To pursue this objective, the Company remains steadfast in its value systems that incorporate integrity, transparency and fairness across all its business activities.

The Company continues to focus on its commitments towards the development of the community where it operates. It has adopted best practices towards preserving the environment and adherence to the highest safety standards remains a focus area across all operations. Sesa Goa's value systems are based on the foundation of fair and ethical practices in all its dealings with stakeholders including customers, vendors, contractors, suppliers and all others who are part of the Company's business value chain.

Towards this end, all Directors and Senior Management are committed to the Company's Code of Conduct, the compliance to which is periodically reviewed.

2. Board of Directors

i. Composition of the Board

As on 31st March, 2011, the Company has eight Directors on its Board, of which three are Executive Directors and five Non-Executive Directors. Four of the Non-Executive Directors are independent. Mr. S. D. Kulkarni, Independent Non-Executive Director and Non-Promoter Chairman resigned w.e.f 24th January, 2011. The Board of Directors have not yet appointed a Chairman.

ii. Directors' attendance record and Directorship held

The names and categories of the Directors on the Board, their attendance at Board meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are given below:

Name of the Directors	Category	No. of Board meetings during the year 2010-11		Whether attended last AGM held on 19th July, 2010	Number of Directorships in other public companies *	Number of Committee positions held in public companies *	
		Held	Attended			Member	Chairman
S.D. Kulkarni (Chairman) (resigned w.e.f 24th January, 2011)	Independent Director	7	0	No	2	2	2
P. G. Kakodkar	Independent Director	10	3	No	8	3	2
G. D. Kamat	Independent Director	10	8	Yes	-	1	-
J.P Singh (Appointed w.e.f 19th July, 2010)	Independent Director	9	4	Not Applicable	1	1	1

Name of the Directors	Category	No. of Board meetings during the year 2010-11		Whether attended last AGM held on 19th July, 2010	Number of Directorships in other public companies *	Number of Committee positions held in public companies *	
		Held	Attended			Member	Chairman
Ashok Kini (Appointed w.e.f 24th January, 2011)	Independent Director	4	1	Not Applicable	3	4	-
K. K. Kaura	Non-Executive Director	10	5	Yes	1	1	-
A. Pradhan	Whole-time Director	10	10	Yes	-	-	-
A.K. Rai	Whole-time Director	10	9	Yes	2	-	-
P.K. Mukherjee	Managing Director	10	10	Yes	2	2	-

* excluding private limited companies, foreign companies and Companies under Section 25 of the Companies Act, 1956.

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

Dates for the Board Meetings in the ensuing year are decided well in advance and communicated to the Directors. The agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary by the Board.

The information as required under Annexure IA to Clause 49 is being made available to the Board.

The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

During 2010-11, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors.

iii. Number of Board Meetings

Ten Board meetings were held during the year 2010-11 and the gap between two meetings did not exceed four months. The dates on which the Board meetings were held were as follows: 19th April, 2010, 19th July, 2010, 16th August, 2010, 18th October, 2010, 14th November, 2010, 30th December, 2010, 24th January, 2011, 17th February, 2011, 12th March, 2011 and 19th March, 2011.

iv. Code of conduct

The Company has adopted the Sesa Goa Code of Conduct for Executive and Non-Executive Directors, Senior Management Personnel and other executives of the Company. The Company has received confirmations from the Executive and Non-Executive Directors, as well as Senior Management Personnel regarding compliance of the Code during the year under review. The Code of Conduct is posted on the website of the Company.

v. Directors Profile

Sr. No.	Name	Age	Qualification	Experience	Other Directorships*
i.	P.G. Kakodkar DIN: 00027669	74	M.A. (Economics)	Appointed as Director on 31st March, 2000. Over 40 years experience in State Bank of India, Retired as Chairman of SBI. He is currently IT and Banking Consultant.	o Goa Carbon Ltd. o Uttam Galva Steel Ltd. o Financial Technologies (India) Ltd. o Fomento Resorts and Hotels Ltd. o Centrum Finance Ltd. o Multi Commodity Exchange of India Ltd. o IBX Forex Ltd. o Anand Rathi Financial Services Ltd.
ii.	G.D. Kamat DIN: 00015932	76	B.A., L.L.B.	Appointed as Director on 22nd December, 2005. Over 45 years experience in the field of Legal Practice and Judiciary. Retired as Chief Justice of Gujarat High Court in 1996. Presently engaged in Judicial work relating to Arbitration and Conciliation.	-
iii.	K. K. Kaura DIN: 00006293	64	BE (Hons) Mechanical Engg.	Director since 30th October, 2007. 18 years of experience at ABB India at various operations and business management positions. He was a member of Directors of ABB India from 1996 and was Managing Director and County Manager of ABB from 1998 to 2001. In 2002 joined Sterlite and was Managing Director of Hindustan Zinc Ltd. and became the Chief Operating Officer of Vedanta Resources plc since its inception. He was a Director of Hindustan Zinc Ltd., Vedanta Alumina and Copper Mines Tasmania Pty Ltd. and became Chief Executive Officer, Vedanta Resources plc, also Managing Director of Sterlite and Deputy Chairman of Konkola Copper Mines.	o ACC Ltd.
iv.	J.P Singh DIN: 02782928	63	M.A, MPA (Harvard), IAS Retd. (Rajasthan 1972)	Appointed as Additional Director on 19th July, 2010. He is Former Secretary, Ministry of Finance (DOD) and Ministry of Mines, Special Secretary Labour and has over 36 year of executive experience in key positions in the state and union government.	o BEML Limited

Sr. No.	Name	Age	Qualification	Experience	Other Directorships*
v.	Ashok Kini DIN: 00812946	65	B.Sc/M.A./ C.A.I.I.B (Certified Associate, Indian Institute of Bankers)	Appointed as Director on 24th January, 2011. Mr. Ashok Kini is former Managing Director, State Bank of India. He was responsible for the Bank's IT plans, from concept to execution and vendor management, domestic distribution, retail business, consumer banking, marketing/brand management, etc. He is currently on Board of IndusInd Bank Limited, Gulf Oil Corporation Limited, UTI Asset Management Company and Financial Information Network & Operations Pvt. Limited.	o Gulf Oil Corporation Limited o IndusInd Bank Limited o Financial Inclusion Network and Operations Limited
vi	A. Pradhan DIN: 00128568	56	M.Sc. (Physics) from I.I.T. Delhi	Appointed as Director on 1st July, 2000. 33 years experience in Materials/Project Management.	-
vii.	A.K. Rai DIN: 00016060	59	B.Sc. in Mining Engineering from Banaras Hindu University	Appointed as Director on 1st February, 1999. 34 years experience in the field of Mining.	o Sesa Resources Limited o Sesa Mining Corporation Limited
viii.	P.K. Mukherjee DIN: 00015999	55	B. Com. (Hons.) F.C.A., A.I.C.W.A.	Appointed as Director on 1st July, 2000 and Managing Director from 1st April, 2006. 32 years experience in Finance, Accounts, Costing, Taxation, Legal and Management.	o Sesa Resources Limited o Sesa Mining Corporation Limited

* excluding private limited companies, foreign companies and Companies under Section 25 of the Companies Act, 1956.

3. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

i. Terms of reference

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and fixation of audit fees.

Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

c) Reviewing with management the annual financial statements before submission to the Board, focussing primarily on:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgement by management;

- Qualifications in draft audit report;
- Significant adjustments arising out of audit;
- Compliance with listing and legal requirement concerning financial statements;
- Disclosure of any related party transactions.

d) Reviewing with management, performance of statutory and internal auditors, adequacy of the internal control systems.

e) Reviewing the adequacy of internal audit function, including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

f) Discussion with internal auditors any significant findings and follow up thereon.

g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

h) Discussion with statutory auditors before the audit commences, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.

i) To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

j) Reviewing with management, the quarterly financial statements before submission to the Board for approval.

k) To review the functioning of the Whistle Blower mechanism, in case the same is existing.

l) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ii. Composition, names of members and attendance during the year

As on 31st March, 2011, the Audit Committee comprised of four Independent Directors and one Non-Executive Director. The composition of the Audit Committee and the details of meetings attended by the members of the Audit Committee are given below:

Name of the Member	Category	No. of Meetings during the year 2010-11	
		Held	Attended
P. G. Kakodkar - Chairman	Independent Director	4	1
S. D. Kulkarni (upto 24th January, 2011)	Independent Director	4	-
G. D. Kamat	Independent Director	4	4
K. K. Kaura	Non-Executive Director	4	4
J. P. Singh (w.e.f. 19th July, 2010)	Independent Director	3	3
Ashok Kini (w.e.f. 19th March, 2011)	Independent Director	-	-

Four Audit Committee Meetings were held during the financial year ended 31st March, 2011 and the gap between two meetings did not exceed four months. The dates on which the Audit Committee Meetings were held are as follows:
19th April, 2010, 19th July, 2010, 18th October, 2010 and 24th January, 2011. Necessary quorum was present at the above meetings.

The Audit Committee Meetings are usually held at the Corporate Office of the Company and are attended by the Managing Director, Director Finance (Designate), AVP Finance and the representatives of Statutory Auditors and Internal Auditors. The Company Secretary & AVP Legal acts as the Secretary to the Audit Committee.

The Chairman of the Audit Committee, Mr. P.G. Kakodkar was not present at the last Annual General Meeting of the Company held on 19th July, 2010 due to ill health.

4. Remuneration Committee

i. Terms of reference

The Company has constituted a remuneration committee of Directors in September 2000. The broad terms of reference of the Committee are to appraise the performance of Managing/Executive Directors, determine and recommend to the Board, compensation payable to them, details of which are included in this report.

ii. Composition, names of members and attendance during the year

As of 31st March, 2011, four member Remuneration Committee comprised of Non-Executive Directors, of whom three were Independent. The composition of the Remuneration Committee and the details of meetings held and attended by the member of the Remuneration Committee are given below:

Name of the Member	Category	No. of Meetings during the year 2010-11	
		Held	Attended
S. D. Kulkarni - Chairman (upto 24th January, 2011)	Independent Director	2	-
P. G. Kakodkar	Independent Director	2	-
G. D. Kamat	Independent Director	2	2
K. K. Kaura	Non-Executive Director	2	2
Ashok Kini (w.e.f. 19th March, 2011)	Independent Director	-	-

Two Remuneration Committee Meetings were held during the year 2010-11 on 19th July, 2010 and 24th January, 2011.

The Chairman of the Remuneration Committee, Mr. S.D. Kulkarni, was not present at the Annual General Meeting of the Company held on 19th July, 2010 due to ill health.

iii. Remuneration Policy

Non-Executive Directors

Remuneration of the Non-Executive Directors of the Company by way of sitting fees and commission is decided by the Board of Directors. Payment of commission to any individual Non-Executive Director is determined by the Board and is broadly based on attendance, contribution at the Board Meetings and various Committee Meetings as well as time spent on various issues other than at these meetings.

Sitting Fees

The Company pays sitting fees of ₹ 20,000 per meeting for attending Board Meeting and Audit Committee Meeting and ₹ 10,000 for other Committee Meeting to the Directors other than the Managing and the Whole-time Directors (including the Whole-time Directors of the Subsidiary Companies, Sesa Resources Limited and Sesa Mining Corporation Limited). Mr. K.K. Kaura, Non-Executive Director, has waived the payment of Sitting Fees for attending Board/Committee Meetings.

Managing and Executive Directors

The Company pays remuneration to its Managing Director by way of salary, commission and perquisites and to its Executive Directors by way of salary, executive allowance, performance linked pay and perquisites. The remuneration is approved by the Board of Directors and is within the overall limits approved by shareholders of the Company.

Service Contracts, Severance Fees and notice period with Managing and Executive Directors:

Managing Director:

Period of contract	:	3 years
Termination of the contract	:	By either party giving the other six months notice. If he ceases to hold the office of Director, he shall *ipso facto* and immediately cease to be Managing Director and the Contract shall come to an end without any obligation on either party.
Severance fees	:	Nil, except for short notice pay.

Executive Directors:

Period of contract	:	5 years
Termination of the contract	:	Same as that of the Managing Director
Severance fees	:	Nil, except for short notice pay.

iv. **Remuneration**

a) Managing Director and Executive Directors:

₹ in crore

Name	Salary	Commission	Perquisites	Retirement Benefits	Total
Mr. P. K. Mukherjee	0.75	0.74	0.30	0.62	2.41
Mr. A. K. Rai	0.85	-	0.20	0.24	1.29
Mr. A. Pradhan	0.70	-	0.15	0.15	1.00
Mr. H. P. U. K. Nair (retired on 01/10/2009)	0.15	-	-	-	0.15

b) Non-Executive Directors:

₹ in crore

Name	Sitting Fees	Commission
Mr. S. D. Kulkarni	-	0.10
Mr. P.G. Kakodkar*	0.009	0.10
Mr. G. D. Kamat*	0.043	0.12
Mr. J.P. Singh	0.014	0.09
Mr. Ashok Kini	0.002	0.01

*Includes sitting fees paid to directors of erstwhile Sesa Industries Limited

v. **Shares and convertible instruments held by the Non-Executive Directors**

None of the Non-Executive Directors have shareholding in the Company as on 31.3.2011.

5. Shareholders/ Investor Grievance Committee

The Company has constituted a Shareholders/ Investor Grievance Committee of Directors to look into the redressal of complaints of investor such as transfer or credit of shares, non-receipt of dividend/ notices/ annual reports, etc.

The composition of the Shareholders/Investor Grievance Committee and details of meetings attended by its members are given below:

Name of the Member	Category	No. of meetings during the year 2010-11	
		Held	Attended
P. G. Kakodkar - Chairman	Independent Director	4	1
P. K. Mukherjee	Managing Director	4	4
Sushil Gupta	Director Finance - Designate	4	4

Four meetings of the Committee were held during the year 2010-11 which are as follows: 19th April, 2010, 19th July, 2010, 18th October, 2010 and 22nd January, 2011.

The Committee reviews investor related issues and recommends measures to improve investor services. Minutes of the Shareholders/Investors Grievance Committee Meetings are circulated to the members of the Board.

Name, designation and address of compliance officer:

Mr. C.D. Chitnis, Company Secretary and AVP- Legal

Sesa Ghor, Patto, Phone: + 91 832 2460720

Panaji – Goa Fax : + 91 832 2460721

E-mail: c.chitnis@vedanta.co.in

Details of investor complaints received and redressed:

Sr. No.	Nature of Complaint	Opening Balance	Received	Disposed off	Pending
1.	Non-receipt of Securities	0	1	1	0
2.	Non-receipt of Dividend	0	2	2	0
	Total	**0**	**3**	**3**	**0**

There were no outstanding complaints as on 31st March, 2011.

Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the Company is required to transfer inter alia dividends, remaining unclaimed and unpaid for a period of 7 years from the due date, to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

Following is the due date for transfer of unclaimed and unpaid dividend to the IEPF by the Company in the current year:

Financial year	Dividend payment date	Due Date for Transfer to IEPF*
2003-2004 (final)	2nd August, 2004	30th September, 2011
2004-2005 (interim)	10th January, 2005	17th February, 2012

* Indicative date, actual date may vary.

6. Other Committees

i. Share Transfer Committee

The transfers of equity shares of the Company are approved by the Share Transfer Committee, which meets fortnightly to approve share transfers. The Committee comprises of the following Executive and Non-Executive Directors of the Company:

- P. K. Mukherjee - Managing Director
- A. K. Rai - Whole-time Director
- Amit Pradhan - Whole-time Director
- Sushil Gupta - Director Finance (Designate)

As on 31st March, 2011, two instruments of transfer for 9040 equity shares were lying with share transfer agents and the same will be completed by 30th April, 2011.

ii. Finance Standing Committee (earlier known as Banking and Authorisation Committee)

The Board has constituted the Finance Standing Committee to consider banking, investment and other related issues on a case to case basis.

The composition, names of members and the attendance of members for the Finance Standing Committee meetings is given below:

Name of the Member	Category	No. of meetings during the year 2010-11	
		Held	Attended
P. G. Kakodkar - Chairman	Independent Director	2	-
P. K. Mukherjee	Managing Director	2	2
Sushil Gupta	Director Finance (Designate)	2	2
Lalita Correia Afonso	Associate Vice President - Finance	2	2

Two Finance Standing Committee Meetings were held during the financial year 2010-11; on 18th October, 2010 and 22nd January, 2011.

iii. Committee for allotment of equity shares on conversion of Foreign Currency Convertible Bonds (FCCBs)

The Board has constituted an Allotment Committee to consider allotment of equity shares on conversion of Foreign Currency Convertible Bonds (FCCBs)

The composition, names of the members and the number of meetings held of the Allotment Committee are given below:

Name of the Member	Category	No. of meetings during the year 2010-11	
		Held	Attended
P. K. Mukherjee	Managing Director	3	3
A. K. Rai	Whole-time Director	3	3
Amit Pradhan	Whole-time Director	3	3

Three Allotment Committee Meetings were held during the year 2010-11 on 5th April, 2010, 23rd April, 2010 and 17th May, 2010.

iv. Committee for Cairn Offer

The Board has constituted a Cairn Offer Committee to consider investment in Cairn India Limited through Open Offer.

The composition, names of the members and the number of meetings held of the Allotment Committee are given below:

Name of the Member	Category	No. of meetings during the year 2010-11	
		Held	Attended
P. K. Mukherjee	Managing Director	1	1
A. K. Rai	Whole-time Director	1	1
Amit Pradhan	Whole-time Director	1	1
Sushil Gupta	Director Finance (Designate)	1	1

One Committee Meeting was held during the year 2010-11 on 25th August, 2010.

v. Committee for Long Term Incentive Plan (LTIP)

The Board has constituted a Committee for LTIP.

The composition, names of the members and the number of meetings held of the LTIP Committee are given below:

Name of the Member	Category	No. of meetings during the year 2010-11	
		Held	Attended
G.D. Kamat	Independent Director	1	1
P.K. Mukherjee	Managing Director	1	1
A. K. Rai	Whole-time Director	1	1
Amit Pradhan	Whole-time Director	1	1

One Committee Meeting was held during the year 2010-11 on 17th February, 2011.

7. General Body Meetings

i. General meeting

a. Annual General meeting:

Year	Meeting	Location	Date	Time
2007-08	AGM	Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa	23rd July, 2008	11.00 A.M.
2008-09	AGM	Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa	13th August, 2009	11.00 A.M.
2009-10	AGM	Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa	19th July, 2010	11.00 A.M.

b. Extra-ordinary General Meeting:

One Extra-ordinary General Meeting of the members was held during the year 2010-2011 on 18th October, 2010 as under:

Year	Meeting	Location	Date	Time
2010-11	EGM	Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa	18th October, 2010	10.00 A.M.

(i) Approval under Section 372A and other applicable provisions of the Companies Act, 1956 to increase the investment limits of the Company to an amount not exceeding ₹ 16,000 crores (Rupees Sixteen Thousand Crores only).

(ii) Approval in terms of Section 293 (1) (d) of the Companies Act, 1956 to borrow in excess of paid-up capital and free reserves but not to exceed limit of ₹ 15,000 crores (Rupees Fifteen Thousand Crores only).

(iii) Approval pursuant to provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 to refix the remuneration of Mr. Amit Pradhan, Wholetime Director, with base salary of ₹ 2,25,000/- per month, effective from 1st April, 2010 for the unexpired period of his Contract upto 30th April, 2011, in the revised scale of ₹ 1,50,000/- to ₹ 5,00,000/- and approval to the re-appointment of Mr. Amit Pradhan as Whole-time Director of the Company effective from 1st May, 2011 upto 31st March, 2013 and to the payment of remuneration with base salary of ₹ 2,25,000/- per month in the scale of ₹ 1,50,000/- to ₹ 5,00,000/-

ii. Postal ballot

Four Ordinary resolutions were put through postal ballot during the year ended 31st March, 2011 vide notice dated 17th February, 2011, the result of which were declared on 14th April, 2011. The particulars of voting were:

Sr. No.	Resolution	ASSENT		DISSENT		INVALID	
		No. of Shares	% of total shares received through postal ballot	No. of Shares	% of total shares received through postal ballot	No. of Shares	% of total shares received through postal ballot
1.	Ordinary Resolution for approval and adoption of Vedanta Resources Long term Incentive Plan.	536103404	91.77	44839379	7.68	3231113	0.55
2.	Ordinary Resolution under Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, for increase in the remuneration of Mr. P.K. Mukherjee, Managing Director.	569508374	97.07	10658919	1.82	6526523	1.11
3.	Ordinary Resolution under Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act 1956, for increase in the remuneration of Mr. A.K. Rai, Wholetime Director.	569479497	97.07	10682397	1.82	6531922	1.11
4.	Ordinary Resolution under Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act 1956, for increase in the remuneration of Mr. Amit Pradhan, Wholetime Director.	569463957	97.07	10697732	1.82	6532127	1.11

iii. Special Resolutions

Details of special resolutions passed in the General Meetings during the last three financial years are as follows:

Date of General Meeting	Number of Special Resolutions passed	Details of the Special Resolutions
17th November, 2008, through Postal Ballot	2	1. Approval pursuant to Section 17 of the Companies Act, 1956 for amendment to the Object Clause of the Memorandum of Association of the Company 2. Approval pursuant to Section 149(2A) of the Companies Act, 1956 for commencement of business
9th July, 2009	1	Approval under Section 81(1A) to create, offer, issue and allot upto 33274000 (Three Crores Thirty Two Lakhs Seventy Four Thousand) Equity Shares of ₹ 1/- each (Rupee One) to Promoters and its associates
13th August, 2009	1	Approval for increase in commission to the Non-Wholetime Directors of the Company resident in India upto Rupees Five million per year.
20th October, 2009	1	Approval for borrowing upto ₹ 6,000 crores by way of Foreign Currency Convertible Bonds, Qualified Institutional Placements and other securities and under 293 (1)(a) creating charge on the assets and empowering the Board to take necessary actions to implement the resolutions.
18th October, 2010	1	Approval under Section 372A and other applicable provisions of the Companies Act, 1956 to increase the investment limits of the Company to an amount not exceeding ₹ 16,000 crores (Rupees Sixteen Thousand Crores only).

8. Disclosures

i. Subsidiary Companies

The revised Clause 49 defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. As per this definition none of the subsidiaries of Sesa Goa Limited viz. Sesa Resources Limited and Sesa Mining Corporation Limited are material non-listed Indian subsidiaries.

The Honourable Supreme Court of India, by an Order dated 7th February, 2011, approved the Scheme of Amalgamation of Sesa Industries Limited (SIL) (an erstwhile subsidiary of Sesa Goa Limited) with the Company effective from the appointed date i.e. 1st April 2005, by setting aside the Order dated 21st February, 2009, passed by the Division Bench of the High Court of Bombay at Goa not sanctioning the Scheme passed by the Single Bench of the Honourable High Court of Bombay, at Goa vide its Order dated 18th December, 2008.

ii. Materially Significant Related Party Transactions

The Board has received disclosures from Key Managerial Personnel relating to material financial and commercial transactions where they and or their relatives have personal interest.

Transactions with related parties are disclosed in Note No. 26 of Schedule 19 to the Accounts in the Annual Report. In the opinion of the Board, the transactions during 2010-11 between Sesa Goa Limited and its subsidiaries, Sesa Resources Limited and Sesa Mining Corporation Limited have been done at arm's length.

As per the definition under clasue 49 of "material non-listed Indian subsidiary" none of the subsidiaries of Sesa Goa Limited viz. Sesa Resources Limited and Sesa Mining Corporation Limited are material non-listed Indian subsidiaries.

iii. Non-compliance

The Company has complied with all the requirements of regulatory authorities. No penalties or strictures were imposed on it by the stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

The Company is subjected to investigation by Serious Fraud Investigation Office (SFIO), Ministry of Corporate Affairs, New Delhi and the investigation is in progress. The Company is providing all information to SFIO and extended co-operation. The Company understands from the order that this investigation has been initiated pursuant to a report of the Registrar of Companies that recommended such an investigation and the order directs inquiry into allegations made in certain complaints. The investigation originates from the complaint filed by one of the shareholders of erstwhile Sesa Industries Limited (SIL) against SIL, the Company and their directors in 2003 prior to the acquisition of the Company by Vedanta in April 2007.

iv. CEO/ CFO certification

The CEO and CFO certification of the financial statements for the year is enclosed after Annexure-A of the Directors' Report.

v. Whistle Blower Policy

The Company has a Whistle Blower Policy to deal with any complaint relating to fraud and other financial irregularities.

vi. Adoption of Non-Mandatory Requirements

The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure 1D to Clause 49 of the Listing Agreement with the stock exchanges.

- The Company has set up a Remuneration Committee which complies with the requirements laid down in the Code of Corporate Governance. Refer Para 4.i. for the broad terms of reference of the Committee.
- The quarterly and half-yearly results of the Company are posted on the Company's website.
- The Company has adopted and implemented Whistle Blower Policy.

9. Means of Communication

All financial disclosures are available on the Company's website www.sesagoa.com. The Company has had informal meetings with media and institutional investors. Authorised persons of Sesa Goa also respond to queries telephonically and by letters.

The quarterly, half-yearly and annual results are published in the Economic Times, Mumbai edition and an English and Konkani/Marathi Daily in Goa. The results, along with official news releases, are also posted on the Company's website.

A Management Discussion and Analysis statement is a part of the Company's Annual Report.

10. General Shareholder Information

i. Annual General Meeting

Date: Thursday, 21st July, 2011

Time: 10.00 a.m.

Venue: Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa

ii. Financial Calendar

Financial year: 1st April to 31st March

For the year ended 31st March	2010	2011 (Tentative)
Financial results for Q.E. June	19th July, 2010	End July 2011
Financial results for Q.E. Sept.	18th October, 2010	End October 2011
Financial results for Q.E. Dec.	24th January, 2011	End January 2012
Financial results for Q.E. March	25th April, 2011	End April 2012
Annual General Meeting	21st July, 2011	July 2012

iii. Book Closure

The dates of book closure are from Tuesday, 5th July, 2011 to Thursday, 7th July, 2011 (both days inclusive).

iv. Dividend Payment

A dividend of ₹ 3.50 per equity share will be credited / dispatched between 21st July, 2011 and 19th August, 2011 subject to approval by the shareholders at the Annual General Meeting to be held on 21st July, 2011.

v. Listing

At present, the equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India (NSE). The annual listing fees for the financial year 2010-11 to BSE and NSE has been paid.

The Company's 5,000 Foreign Currency Convertible Bonds (FCCBs) issued on 30th October, 2009 are listed and traded on the Singapore Exchange Securities Trading Limited (SGX-ST) of which 2,168 bonds were outstanding as on 31st March, 2011

vi. Stock Codes

Sesa Goa's Stock Exchange Codes

Name of the Stock Exchange	Stock Code
The National Stock Exchange of India	SESAGOA EQ
The National Stock Exchange of India, DEMAT	SESAGOA AE
The Stock Exchange, Mumbai	295
The Stock Exchange, Mumbai, DEMAT	500295
Singapore Exchange Securities Trading Limited	141031

The ISIN code of the Company is INE205A01025.

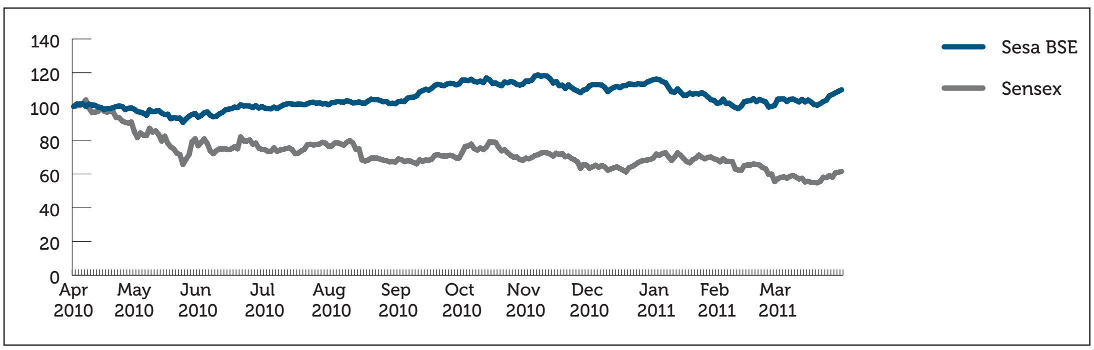
vii. Market Price Data

High, Low (based on the closing prices) and the number of shares traded during each month during the year 2010-11 on the National Stock Exchange Limited and the Bombay Stock Exchange Limited

	NSE				BSE			
	High (₹)	Low (₹)	No. of shares traded (in crore)	Monthly Turnover (₹ in crore)	High (₹)	Low (₹)	No. of shares traded (in crore)	Monthly Turnover (₹ in crore)
April	495.00	418.10	9.82	4486.10	494.30	419.85	2.40	1098.34
May	426.90	303.90	20.79	7596.10	427.20	304.25	6.48	2375.74
June	389.70	335.30	17.55	6395.28	389.05	333.25	5.67	2061.43
July	376.00	337.20	11.08	3954.13	376.00	337.00	3.55	1266.09
August	384.00	311.50	10.59	3589.49	383.65	312.00	2.97	1010.95
September	343.40	308.20	8.10	2644.21	343.25	309.00	2.03	661.92
October	383.65	317.20	10.15	3568.96	383.50	317.60	2.30	809.61
November	348.70	285.00	5.46	1800.91	347.85	287.00	1.24	408.82
December	330.70	287.00	7.30	2232.77	330.30	287.10	2.03	620.12
January	346.50	308.55	6.24	2066.91	346.00	308.90	1.55	513.61
February	333.40	258.00	5.00	1496.81	333.30	260.00	1.23	369.86
March	294.90	254.75	6.63	1807.91	294.80	220.55	1.61	438.36

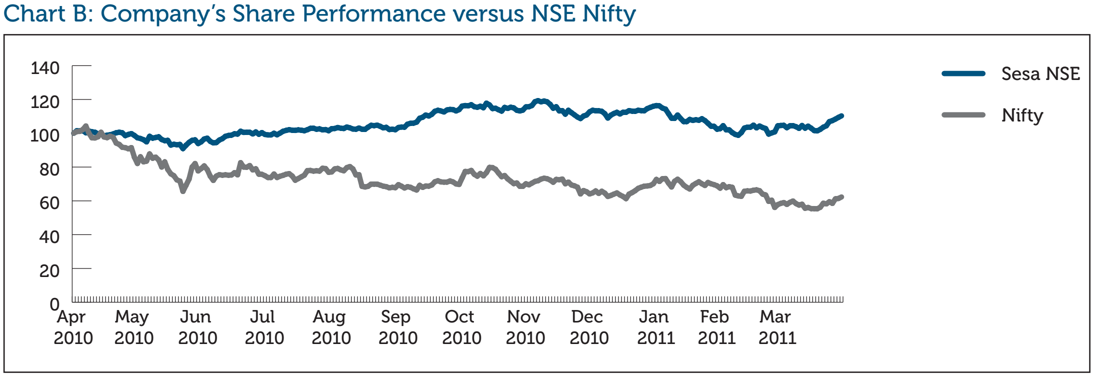
viii. Performance of the share price of the Company

Chart A: Company's Share Performance versus BSE Sensex



Note: Both the BSE Sensex and Sesa Goa are indexed to 100 as on 1st April, 2010

Chart B: Company's Share Performance versus NSE Nifty



Note: Both the NSE Nifty and Sesa Goa are indexed to 100 as on 1st April, 2010

ix. Registrar and Transfer Agent

Karvy Computershare Private Limited
Plot No. 17 to 24, Vittalrao Nagar,
Madhapur,
Hyderabad – 500 081
Tel. : 040 – 23420818
Fax : 040 – 23420833
Email: ksreddy@karvy.com/shyamsingh@karvy.com

x. Share Transfer System

The Registrar and Share Transfer Agents, Karvy Computershare Pvt. Ltd., Hyderabad, are authorised by the Board for processing of share transfers which are approved by the Company's Share Transfer Committee.

Share Transfer Committee Meetings are held fortnightly. Share transfer requests are processed and despatched to the shareholders generally within 20 days from the date of receipt. All valid requests for dematerialisation of shares are processed and confirmation given to the depositories within 21 days.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, on half-yearly basis, certificates have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Also, pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, certification is done by a Company Secretary-in-Practice regarding timely dematerialisation of the shares of the Company. Further, secretarial audit is done on a quarterly basis for reconciliation of the share capital of the Company

xi. Distribution of shareholding

The distribution of the shareholding of the equity shares of the company by size and by ownership class as on 31st March, 2011 is given below:

Shareholding pattern by size

	31st March, 2011			
	Face value ₹ 1/-			
Shareholding of Nominal value of ₹ 1/-	**No. of share-holders**	**% of Total share-holders**	**Amount in ₹ crore**	**% of Amount**
1 - 5000	263430	98.36	6.52	7.50
5001 - 10000	2686	1.00	2.01	2.31
10001 - 20000	949	0.35	1.35	1.56
20001 - 30000	218	0.08	0.54	0.62
30001 - 40000	144	0.05	0.50	0.58
40001 - 50000	55	0.02	0.25	0.29
50001 - 100000	111	0.04	0.81	0.93
100001 & Above	225	0.08	74.93	86.22
TOTAL	267818	100.00	86.91	100.00

Shareholding Pattern by ownership

Sr. No.	Category	March 31, 2011	
		No. of shares held	% of share holding
		Face value ₹ 1/-	
a)	Promoter's holding	479113619	55.13
b)	Banks, Mutual funds, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Govt. Institutions)	41356815	4.76
c)	FIIs	207928162	23.92
d)	Private Corporate Bodies	27747036	3.19
e)	Indian Public	107107624	12.32
f)	NRIs /OCBs	2142031	0.25
g)	Trust	763208	0.09
h)	H U F	1525856	0.18
i)	Clearing Members	1417072	0.16
	Grand Total	869101423	100.00

Paid-up capital as on 31st March, 2010 was ₹ 830,961,802/- and on 31st March, 2011 was ₹ 869,101,423/-.

xii. De-materialisation of shares

Trading in equity shares of the Company is permitted only in dematerialised form w.e.f. 31st May, 1999 as per notification issued by the Securities and Exchange Board of India (SEBI). Some 92.85 % of the equity shares of the Company (except the promoters' holding) have been dematerialised as on 31st March, 2011.

xiii. Outstanding GDRs/ ADRs/ Warrants/ Options

The Company has issued 5,000 Foreign Currency Convertible Bonds (FCCBs) aggregating to USD 500 million. The FCCBs are convertible by Bondholders into Shares, at any time on and after 9th December, 2009, up to the close of business on 24th October, 2014 or, if the Bonds shall have been called for redemption before the relevant Maturity Date, then up to the close of business on a date not later than seven business days prior to the date fixed for redemption thereof.

The Company had received notice for conversion of 755 bonds into 10,447,402 equity shares upto 31st March, 2010 and for conversion of 2077 bonds into 28,740,757 equity shares upto 31st March, 2011. Accordingly 28,740,757 equity shares have been allotted during financial year 2010-2011.

As on 31st March, 2011 there are 2168 Foreign Currency Convertible Bonds (FCCB) outstanding, which are convertible to 30,000,033 Equity Shares.

xiv. Details of Public Funding Obtained in the last three years

On 22nd July, 2009, the Company allotted 33,274,000 Equity Shares of ₹1/- each to promoter's entity Twin Star Holdings Limited at a premium of ₹ 160.46 per share aggregating to ₹ 5,372,420,040/-.

On 30th October, 2009 the Company had issued 5,000 Foreign Currency Convertible Bonds (FCCBs) aggregating to USD 500 million), which are listed and traded on Singapore Exchange Securities Trading Limited (the "SGX-ST") of which 755 bonds were converted into 10447402 equity shares of ₹ 1/- each at a premium of ₹ 345.88 per share in financial year 2009-10 and 2077 bonds were converted into 28,740,757 equity shares of ₹ 1/- each at a premium of ₹ 345.88 per share in financial year 2010-11.

The Honourable Supreme Court of India, by an Order dated 7th February, 2011, approved the Scheme of Amalgamation of Sesa Industries Limited (SIL) (an erstwhile subsidiary of Sesa Goa Limited) with the Company effective from the appointed date i.e. 1st April, 2005, by setting aside the Order dated 21st February, 2009, passed by the Division Bench of the High Court of Bombay at Goa not sanctioning the

Scheme passed by the Single Bench of the Honourable High Court of Bombay, at Goa vide its Order dated 18th December, 2008. In accordance with the Scheme of Amalgamation approved by the Court, the Board of Directors of the Company, at its meeting held on 12th March, 2011 allotted 9,398,864 equity shares of face value of ₹ 1/- each bearing distinctive numbers 859,702,560 to 869,101,423 to the shareholders of erstwhile SIL, holding shares as on record date, i.e. 28th February, 2011, in the ratio of 20 fully paid equity shares of ₹ 1 each (after adjustment for stock split and bonus shares) in the Company for 5 fully paid equity shares of ₹ 10 each held by the shareholders of SIL. As a result of allotment, the paid up share capital of the Company has gone up from ₹ 859,702,559 to ₹ 869,101,423.

Financial Year	Amt. raised through Public Funding	Effect on paid up Equity Share Capital
2008-09	Nil	Nil
2009-10	Issue of 33,274,000 Equity Shares of ₹ 1/- each to promoter's entity Twin Star Holdings Limited at a premium of ₹160.46 per share aggregating to ₹ 5,372,420,040/-	The number of paid up equity shares of the Company increased from 787,240,400 shares of ₹ 1/- each to 820,514,400 shares of ₹ 1/- each.
2009-10	Issue of 5,000 Foreign Currency Convertible Bonds (FCCBs) aggregating to USD 500 million and consequent conversion of 755 bonds into equity shares	The number of paid up equity shares of the Company increased from 820,514,400 shares of ₹ 1/- each to 830,961,802 shares of ₹ 1/- each consequent to conversion of 755 FCCB's
2010-11	Further conversion into equity shares of 2,077 FCCB's issued in 2009-10	Nil On account of further conversions of 2,077 FCCB's issued in 2009-10, the number of paid up equity shares of the Company increased from 830,961,802 shares of ₹ 1/- each to 859,702,559 shares of ₹ 1/- each On allotment of equity shares on 12th March, 2011 to shareholders of erstwhile Sesa Industries Limited on amalgamation, the number of paid up equity shares of the Company increased from 85,97,02,559 shares of ₹1/- each to 869,101,423 shares of ₹1/- each.

xv. Company's Registered Office Address

Sesa Goa Limited,
Sesa Ghor,
20 EDC Complex, Patto,
Panaji, Goa 403 001,
India

Plant Locations

- Mining establishments at Goa, Karnataka and Orissa
- Pig iron Division at Navelim/Amona Goa
- Metallurgical Coke (MetCoke) Division at Amona, Goa

xvi. Address for correspondence on share issues

Karvy Computershare Private Limited
Plot No. 17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad – 500 081
Tel.: 040 – 23420818
Fax: 040 – 23420833
E-mail: ksreddy@karvy.com/
shyamsingh@karvy.com

or

The Secretarial Department
Sesa Ghor, 20 EDC Complex, Patto,
Panaji, Goa 403 001, India
Tel.: 0832-2460601
Fax: 0832-2460721
E-mail: c.chitnis@vedanta.co.in/
mahesh.devjani@vedanta.co.in
Website: www.sesagoa.com

Annual Declaration by the Managing Director Pursuant to Clause 49(I)(D)(ii) of the Listing Agreement

As the Managing Director of Sesa Goa Limited and as required by Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year 2010-11 .

For Sesa Goa Limited

Sd/-

P. K. Mukherjee
Managing Director

Place: Panaji-Goa
Date: 25th April, 2011

Auditors' Certificate on Compliance of Conditions of Corporate Governance

To,
The Members of Sesa Goa Limited

We have examined the compliance of conditions of Corporate Governance by SESA GOA LIMITED ("the Company"), for the year ended on 31st March, 2011, 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 has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. 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 and the representations made by the Directors and the management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

Rajesh K Hiranandani
Partner
(Membership No. 36920)

Place: Panaji - Goa
Dated: 25th April, 2011

Auditors' Report
To the Members of Sesa Goa Limited

1. We have audited the attached Balance Sheet of SESA GOA LIMITED ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the same order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

   (a) we have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on 31st March, 2011; and

      (iii) in the case of the Cash Flow Statement of the cash flows for the year ended on 31st March, 2011.

5. On the basis of written representations received from the directors as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

Rajesh K. Hiranandani
Partner
(Membership No. 36920)

Place: Panaji - Goa
Dated: 25th April, 2011

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

(i) In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii) In respect of the Company's inventories:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) According to the information and explanations given to us, the Company has not entered into any contract or arrangement with other parties, which needs to be entered in the Register maintained under Section 301 of the Companies Act, 1956.

(vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956. According to the information and explanations given to us, no order has been passed in this respect, in the case of the Company by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.

(viii) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the Company's products.

(ix) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2011 on account of disputes are given below:

Statute	Nature of dues	Amount (₹ in crores)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	14.89	Assessment Years 2004-05, 2006-07 and 2007-08	Commissioner of Income Tax (Appeals), Panaji
Sales Tax Act	Sales Tax	0.63	1997-98 to 2000-01	Additional Commissioner of Sales Tax
Customs Act, 1962	Customs Duty	1.40	Assessment Year 2006-07	Customs Excise and Service Tax Appellate Tribunal, Mumbai

(x) The Company does not have any accumulated losses. The Company has not incurred cash losses during the current financial year and in the immediately preceding financial year.

(xi) According to the information and explanations given to us, the Company has not taken any term loan from a bank or financial institution or borrowed any sum against issue of debentures.

(xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The Company is not a chit fund, nidhi or a mutual benefit society.

(xiv) According to the information and explanations given to us, the Company is not a dealer or trader in shares, securities or debentures and other investments.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) According to the information and explanations given to us, the Company has not availed any term loans during the year.

(xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company has not issued any debentures.

(xx) The Company has not raised any money by public issues during the year.

(xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

Rajesh K. Hiranandani
Partner
(Membership No. 36920)

Place: Panaji - Goa
Dated: 25th April, 2011

Balance Sheet
As at 31st March, 2011

Particulars	Sch. No.	As at 31st March, 2011 ₹ in crore	As at 31st March, 2011 ₹ in crore	As at 31st March, 2010 ₹ in crore	As at 31st March, 2010 ₹ in crore
SOURCES OF FUNDS					
Shareholders' funds					
Share capital	1	86.91		83.10	
Reserves and surplus	2	11,501.90		7,125.61	
			11,588.81		7,208.71
Loan funds					
Secured loans	3	3.31		9.61	
Unsecured loans	4	968.01		1,916.19	
			971.32		1,925.80
Deferred tax liability	5		63.10		59.20
Total			12,623.23		9,193.71
APPLICATION OF FUNDS					
Fixed assets	6				
Gross block		1,214.55		836.80	
Less : Depreciation		454.68		324.65	
Net Block		759.87		512.15	
Capital work-in-progress		654.15		68.01	
			1,414.02		580.16
Investments	7		9,463.81		5,478.64
Current assets, loans and advances					
Inventories	8	641.49		408.66	
Sundry debtors	9	506.88		278.46	
Cash and bank balances	10	891.32		2,377.41	
Other current assets		14.12		39.27	
Loans and advances	11	1,271.51		1,111.19	
		3,325.32		4,214.99	
Less : Current liabilities and provisions					
Current liabilities	12	1,172.61		705.05	
Provisions	13	407.31		375.03	
		1,579.92		1,080.08	
Net current assets			1,745.40		3,134.91
Total			12,623.23		9,193.71
Notes to accounts	19				

Per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

Rajesh K. Hiranandani
Partner

Place: Panaji - Goa
Dated: 25th April, 2011

For and on behalf of the Board of Directors

P.K. Mukherjee
Managing Director

A.K. Rai
Director

C.D. Chitnis
Company Secretary

Place: Panaji - Goa
Dated: 25th April, 2011

Profit and Loss Account
For the year ended 31st March, 2011

Particulars	Sch. No.	Year ended 31st March, 2011 ₹ in crore	Year ended 31st March, 2011 ₹ in crore	Year ended 31st March, 2010 ₹ in crore	Year ended 31st March, 2010 ₹ in crore
INCOME					
Sales of ore		7,372.74		4,909.14	
Less: Ocean freight		736.31		670.86	
		6,636.43		4,238.28	
Sales of metallurgical coke		142.10		356.54	
Less: Excise duty		0.69		-	
		141.41		356.54	
Less: Ocean freight		0.01		0.04	
		141.40		356.50	
Sales of pig iron		728.87		-	
Less: Excise duty		62.96		-	
		665.91		-	
Less: Ocean freight		2.17		-	
		663.74		-	
Hire of ship and transhipper		5.88		7.55	
Services and other proceeds	14	63.01		58.00	
Miscellaneous income	15	497.82		409.45	
			8,008.28		5,069.78
EXPENDITURE					
Production and operational expenses	16	3,349.55		2,226.75	
Administration expenses	17	101.37		73.87	
Interest and other finance charges	18	88.43		53.69	
Depreciation		83.13		57.38	
			3,622.48		2,411.69
Profit before tax			4,385.80		2,658.09
Less: Provision for taxation					
Current tax		963.00		538.00	
Deferred tax		(10.00)		2.00	
			953.00		540.00
Profit after taxes			3,432.80		2,118.09
Balance brought forward			297.70		95.57
Add: Transferred on amalgamation of Sesa Industries Limited (Refer Note No. 2 of Schedule 19)			283.48		-
			4,013.98		2,213.66
APPROPRIATIONS					
Proposed dividend		304.18		270.06	
Dividend tax		49.35		45.90	
Dividend for 2009-10 in respect of Foreign Currency Convertible Bonds converted during the year (inclusive of dividend tax of ₹0.51 crore)		9.85		-	
Dividend to shareholders of erstwhile Sesa Industries Limited on amalgamation (inclusive of dividend tax of ₹1.83 crore)		12.88		-	
General reserve		2,500.00		1,600.00	
			2,876.26		1,915.96
Surplus carried to reserves and surplus			1,137.72		297.70
Earnings per share - Basic (Refer Note No. 25 of Schedule 19)			39.98		26.11
- Diluted (Refer Note No. 25 of Schedule 19)			39.30		25.31
Nominal value per share			1.00		1.00
Notes to accounts	19				

Per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Rajesh K. Hiranandani
Partner

P.K. Mukherjee
Managing Director

A.K. Rai
Director

C.D. Chitnis
Company Secretary

Place: Panaji - Goa
Dated: 25th April, 2011

Place: Panaji - Goa
Dated: 25th April, 2011

Cash Flow Statement
For the year ended 31st March, 2011

Particulars	Year ended 31st March, 2011 ₹ in crore	Year ended 31st March, 2010 ₹ in crore
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax	4,385.80	2,658.09
Adjustments for:		
Depreciation	83.13	57.38
Interest / dividend (net)	(396.00)	(158.31)
(Profit) / loss on sale of fixed assets (net)	(0.65)	(0.12)
(Profit) / loss on redemption of current investments (net)	(61.86)	(75.21)
Provision for doubtful debts	0.07	-
Provision for doubtful advances	0.12	0.50
Provision for claim under litigation	-	9.03
Unrealised exchange (gain) / loss	44.01	(125.24)
Operating profit before working capital changes	4,054.62	2,366.12
Adjustments for:		
Trade and other receivables	(281.69)	(35.51)
Inventories	(194.30)	(176.96)
Trade payables	355.51	361.72
Cash generated from operations	3,934.14	2,515.37
Taxes paid	(980.49)	(511.89)
NET CASH FROM OPERATING ACTIVITIES	2,953.65	2,003.48
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(837.29)	(131.59)
Proceeds from sale of fixed assets	4.30	0.36
Acquisition of subsidiaries	-	(1,713.24)
(Purchase) / redemption of current investments	(3,673.47)	(670.51)
Bank deposits having original maturity over three months	1,652.00	(2,350.00)
Interest received	198.16	103.11
Dividend received	259.92	66.70
NET CASH USED IN INVESTING ACTIVITIES	(2,396.38)	(4,695.17)

Particulars	Year ended 31st March, 2011 ₹ in crore	Year ended 31st March, 2010 ₹ in crore
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Issue of equity shares	-	537.24
Issue of Foreign Currency Convertible Bonds	-	2,380.58
Inter Corporate Deposits	(26.71)	-
Interest paid	(57.06)	(5.24)
Dividend paid and dividend tax	(328.14)	(206.44)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	(411.91)	2,706.14
NET INCREASE IN CASH AND CASH EQUIVALENTS	145.36	14.45
Cash and cash equivalents - opening balance	23.09	8.64
Add: Additions on amalgamation	9.88	-
Cash and cash equivalents - closing balance	178.33	23.09
Footnotes:		
1. Cash and bank balances as per Schedule 10	891.32	2,377.41
Less: Bank deposits having original maturity over three months	(698.00)	(2,350.00)
Less: Unpaid dividend account	(14.99)	(4.32)
Cash and cash equivalents as per the cash flow statement	178.33	23.09

2. Equity shares issued consequent to amalgamation with Sesa Industries Limited have not been considered in the cash flow statement, being a non cash transaction (Refer Note No. 2 of Schedule 19).
3. Foreign Currency Convertible Bonds converted into equity shares have not been considered in the cash flow statement, being a non cash transaction (Refer Note No. 6 of Schedule 19).
4. Figures in brackets represent outflows.
5. For notes to accounts refer Schedule 19.

Per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Rajesh K. Hiranandani
Partner

P.K. Mukherjee
Managing Director

A.K. Rai
Director

C.D. Chitnis
Company Secretary

Place: Panaji - Goa
Dated: 25th April, 2011

Place: Panaji - Goa
Dated: 25th April, 2011

Schedules Annexed to and Forming Part of the Balance Sheet

Schedule 1 : Share Capital

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Authorised				
1,000,000,000 (Previous year 1,000,000,000) equity shares of ₹1 each		100.00		100.00
Issued and Subscribed				
869,101,423 (Previous year 830,961,802) equity shares of ₹1 each fully paid-up		86.91		83.10
Total		86.91		83.10

Out of the above shares:

- 401,496,480 (Previous year 401,496,480) shares held by Finsider International Co. Ltd. U.K., the holding Company, a subsidiary of Vedanta Resources Plc. the ultimate holding company.
- 44,343,139 (Previous year 39,098,139) shares held by West Globe Limited Mauritius, a subsidiary of Vedanta Resources Plc.
- 19,250,000 (Previous year 19,250,000) shares allotted as fully paid-up shares pursuant to a contract without payment being received in cash, consequent to amalgamation of erstwhile Mingoa Private Limited with the Company, with effect from 1-4-1979.
- 685,189,300 (Previous year 685,189,300) bonus shares allotted as fully paid-up shares pursuant to capitalisation of reserves and share pemium account.
- 33,274,000 (Previous year 33,274,000) shares allotted as fully paid-up shares on a preferential basis to Twinstar Holdings Limited, a subsidiary of Vedanta Resources Plc.
- 39,188,159 (Previous year 10,447,402) shares allotted as fully paid-up shares on conversion of 2,832 (Previous year 755) Foreign Currency Convertible Bonds.
- 9,398,864 shares allotted during the year as fully paid-up shares to shareholders of the erstwhile Sesa Industries Limited for consideration other than cash, pursuant to the Scheme of amalgamation. (Refer Note No. 2 of Schedule 19)

Schedule 2 : Reserves and Surplus

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Share premium account				
As per last balance sheet	875.34		-	
Add: Amount received on preferential allotment of equity shares	-		533.91	
Add: Amount received upon conversion of Foreign Currency Convertible Bonds into equity shares	994.08		361.36	
Less: Expenses on issue of Foreign Currency Convertible Bonds	-		19.93	
		1,869.42		875.34
Capital reserve				
As per last balance sheet		0.25		0.25
Amalgamation reserve				
As per last balance sheet	-		-	
Add: Arising during the year on amalgamation with Sesa Industries Limited (Refer Note No. 2 of Schedule 19)	2.14		-	
		2.14		-
General reserve				
As per last balance sheet	5,952.32		4,352.32	
Add: Transferred on amalgamation	40.05		-	
Add: Transferred from profit and loss account	2,500.00		1,600.00	
		8,492.37		5,952.32
Hedging reserve				
As per last balance sheet	-		(9.08)	
Add: Amount adjusted on settlement of hedge contracts	-		13.76	
Less: Deferred tax impact on contracts	-		(4.68)	
		-		-
Profit and Loss Account				
As per annexed account		1,137.72		297.70
Total		11,501.90		7,125.61

Schedule 3 : Secured Loans

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
From banks				
Cash credit		3.31		9.61
(Secured against hypothecation of ore stocks, consumables stores, book debts and lodgement of letter of credit)				
Total		3.31		9.61

Schedule 4 : Unsecured Loans

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Foreign Currency Convertible Bonds		968.01		1,916.19
(Refer Note No. 6 of Schedule 19)				
Total		968.01		1,916.19

Schedule 5 : Deferred Tax Liability

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Deferred tax liabilities				
on temporary timing differences				
- in respect of depreciation allowance		72.92		63.78
Deferred tax assets				
- in respect of compensated absence	4.47		4.11	
- others	5.35		0.47	
		9.82		4.58
Net deferred tax liability		63.10		59.20

Schedules Annexed to and Forming Part of the Balance Sheet (continued)

Schedule 6 : Fixed Assets

Particulars	Original Cost					Depreciation / Amortisation					Net Value	
	Opening as at 1st April, 2010	Acquired on amalgamation	Additions	Deductions	Closing as at 31st March, 2011	Upto 31st March, 2010	Acquired on amalgamation	For the Year	On Deductions	Upto 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Tangible Assets												
Mining leases	28.70	-	-	-	28.70	16.59	-	4.60	-	21.19	7.51	12.11
Mining concessions	0.68	-	-	-	0.68	0.65	-	-	-	0.65	0.03	0.03
Land plots (Note No. 1)	14.73	0.05	121.17	-	135.95	0.05	-	-	-	0.05	135.90	14.68
Road and bunders	0.65	3.82	0.37	-	4.84	0.25	0.38	0.08	-	0.71	4.13	0.40
Buildings	52.06	5.60	6.12	-	63.78	11.74	0.96	1.58	-	14.28	49.50	40.32
Plant and machinery	566.59	137.74	87.82	21.94	770.21	219.50	64.55	65.57	18.43	331.19	439.02	347.09
Aircraft (Note No. 2)	1.46	-	-	-	1.46	0.38	-	0.08	-	0.46	1.00	1.08
Vehicles	11.64	2.23	2.68	1.95	14.60	6.18	1.14	2.14	1.81	7.65	6.95	5.46
Riverfleet	53.46	-	13.10	-	66.56	12.97	-	1.85	-	14.82	51.74	40.49
Ship	96.93	-	0.68	0.01	97.60	52.82	-	4.90	0.01	57.71	39.89	44.11
Furniture and fittings	9.90	0.71	3.31	0.11	13.81	3.52	0.23	0.97	0.11	4.61	9.20	6.38
Intangible Assets												
Computer software	-	-	16.36	-	16.36	-	-	1.36	-	1.36	15.00	-
Total	836.80	150.15	251.61	24.01	1,214.55	324.65	67.26	83.13	20.36	454.68	759.87	51 2.15
Previous year	739.27	-	111.77	14.24	836.80	281.27	-	57.38	14.00	324.65	512.15	
Capital Work-in-Progress												
Constructions in progress (Note No. 3)											504.54	37.54
Capital advances											149.61	30.47
Total											654.15	68.01

Notes:

1. Land plots include under Perpetual Lease ₹1.99 crore (Previous year ₹1.99 crore).
2. Represents 50% undivided interest in a P68C Aircraft.
3. Amount includes ₹4.55 crore interest capitalised during the year (Previous year ₹0.17 crore).

Schedule 7 : Investments

Particulars	As at 31st March, 2011 ₹ in crore	As at 31st March, 2011 ₹ in crore	As at 31st March, 2010 ₹ in crore	As at 31st March, 2010 ₹ in crore
Current Investments (at lower of cost and market value)				
Non-trade, unquoted:				
In Mutual Funds (Refer Note No. 13 of Schedule 19)				
Birla Short Term FMP Series 4 - Dividend Payout	125.00		-	
Birla Short Term Opportunity Fund - Dividend Payout	509.90		-	
Birla Sunlife Cash Plus Plan	27.99		-	
Birla Sunlife Ultra Short Term Fund - Institutional - Growth	340.09		-	
Birla Sun Life Fixed Term Plan - Series CD (370 Days) - Growth Option	50.00		50.00	
Birla Floating Rate Fund - Long Term - Institutional - Growth	-		100.00	
Birla Interval Income Fund Institutional (QIP) Series I - Dividend Payout	-		30.00	
Birla Interval Income Fund Institutional (QIP) Series II - Dividend Payout	-		200.00	
Birla Sun Life Saving Fund - Institutional Growth	-		5.68	
Canara Robeco Floating Rate Short Term - Growth	50.02		-	
Canara Robeco Treasury Advantage Fund Super Institutional Fund	328.71		51.70	
DSP BlackRock FMP - 3M Series 27 - Dividend	100.00		-	
DSP BlackRock Money Manager Fund - Institutional - Growth	202.72		-	
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Growth	41.55		118.52	
HDFC Floating Rate Income Fund - Short Term Plan - Whole - Growth	120.33		-	
HDFC FMP 370 Days 2010 (2) - Dividend Payout	35.00		-	
HDFC FMP 370D June 2010 (1) - Growth	25.00		-	
HDFC Quarterly Interval Fund Plan C - Dividend Payout	-		65.00	
ICICI Prudential Floating Rate - Plan D - Growth	172.12		-	
ICICI Prudential FMP Series 51 - 1 Year Plan B - Growth	20.00		-	
ICICI Prudential MF - Flexible Income Plan - Institutional - Daily Dividend	150.02		-	
ICICI Prudential MF - Flexible Income Plan - Institutional - Growth	64.56		-	
ICICI Prudential Banking and PSU Debt Fund - Daily Dividend	238.19		-	
ICICI Prudential Blended Plan B - Institutional Plan - Dividend Reinvested	635.78		-	
ICICI Prudential Blended Plan B - Institutional Plan - Dividend Payout	100.01		-	
ICICI Prudential Interval Fund II - Quarterly Interval Plan Institutional - Dividend	50.00		-	
ICICI Prudential MF - Ultra Short Term Plan Super Premium - Growth Option	-		79.01	
ICICI Prudential FMP Series 52 - 1 Year Plan A - Growth Option	20.00		20.00	
ICICI Prudential Medium Term Premium Plus - Dividend Payout	-		150.00	
IDFC Fixed Maturity Monthly Series - 30 - Dividend	150.00		-	
IDFC FMP - Half Yearly Series 9 - Plan A - Dividend Payout	-		100.00	
IDFC Money Manager Fund - Institutional Plan B - Growth Option	200.00		363.38	
IDFC Savings Advantage Fund - Plan A - Daily Dividend	251.27		-	
Kotak FMP 13M Series 5 - Growth	-		50.00	
Kotak FMP 370 Days Series 1 - Growth	-		50.00	
Kotak FMP 370 Days Series 3 - Growth	50.00		-	
Kotak FMP Quarterly Institutional Plan Series 3 - Dividend Payout	-		40.00	
Kotak Quarterly Institutional Plan Series 6 - Dividend Payout	-		250.00	
Kotak Quarterly Institutional Plan Series 9 - Dividend Payout	80.00		-	
Kotak Quarterly Institutional Plan Series 10 - Dividend Payout	90.00		-	
Kotak Floater Long Term - Growth	405.70		233.05	
Reliance Fixed Horizon Fund XII - Series 4 - Super Institutional Growth	-		300.00	
Reliance Fixed Horizon Fund - XIII - Series 3 - Super Institutional Growth	-		60.00	
Reliance Fixed Horizon Fund - XIV - Series 1 - Super Institutional Growth	100.00		100.00	
Reliance Fixed Horizon Fund - XIV - Series 5 - Super Institutional Growth	50.00		50.00	
Reliance Fixed Horizon Fund - XV - Series 4 - Super Institutional Growth	50.00		-	
Reliance Fixed Horizon Fund - XV - Series 5 - Super Institutional Growth	25.00		-	
Reliance Fixed Horizon Fund - XV - Series 6 - Super Institutional Dividend	200.00		-	
Reliance Monthly Interval Fund - Series I - Institutional - Dividend	150.01		-	
Reliance Monthly Interval Fund - Series II - Institutional - Dividend	296.02		-	
Reliance Monthly Interval Fund - Series II - Institutional - Growth	-		100.00	
Reliance Medium Term Fund - Retail Plan - Growth Option	-		25.07	
Reliance Mutual Fund - Money Manager Fund - Dividend	123.14		-	
Reliance Quarterly Interval Fund - Series I - Dividend	164.01		-	
Religare FMP - Series - II Plan B (15 Months) - Growth	120.00		120.00	

Schedules Annexed to and Forming Part of the Balance Sheet (continued)

Schedule 7 : Investments (continued)

Particulars	As at 31st March, 2011 ₹ in crore	As at 31st March, 2011 ₹ in crore	As at 31st March, 2010 ₹ in crore	As at 31st March, 2010 ₹ in crore
Religare FMP - Series - II Plan A (13 Months) - Growth	60.00		60.00	
Religare FMP - Series - II Plan C (15 Months) - Growth	100.00		100.00	
Religare FMP - Series - II Plan F (13 Months) - Growth	100.00		100.00	
Religare FMP - Series - III Plan A (12 Months) - Growth	50.00		-	
Religare FMP - Series - III Plan C (370 Days) - Dividend	50.00		-	
SBI Debt Fund Series - 370 Days - Institutional Growth	90.00		90.00	
SBI Debt Fund Series - 13 Months - 10 - Institutional Growth	-		150.00	
SBI Short Horizon Debt Fund - Ultra Short Term Institutional Plan	126.69		83.72	
SBI Premier Liquid Fund - Super Institutional - Daily Dividend	74.14		-	
Tata Fixed Maturity Plan Series 26 - Plan - A - Growth	20.00		20.00	
Tata Floater Fund - Growth Option	554.89		8.32	
UTI - Short Term Income Fund - Institutional Income Option - Dividend Payout	-		200.00	
UTI - Fixed Income Interval Fund - Series II - QIP - V Institutional Dividend Payout	-		150.00	
UTI - Fixed Maturity Plan - Yearly Series (YFMP 11/09) - Growth	-		50.00	
UTI - Fixed Income Interval Fund - Monthly Interval Plan I - Dividend	75.00		-	
UTI - Fixed Income Interval Fund - Monthly Interval Plan II - Dividend	74.99		-	
UTI - Floating Rate Fund - Short Term Plan - Institutional - Growth	437.64		-	
UTI - Treasury Advantage Fund - Institutional Plan - Growth	25.05		-	
		7,750.54		3,723.45
Long-term Investments (at cost less provision for dimunition):				
Non-trade, unquoted shares:				
In Subsidiary companies:				
Sesa Industries Limited (Cancelled on amalgamation)				
17,650,284 equity shares of ₹10 each fully paid-up. (Refer Note No. 2 of Schedule 19)		-		41.92
Sesa Resources Limited (Formerly V. S. Dempo & Co. Private Limited)				
1,250,000 equity shares of ₹10 each fully paid-up		1,713.24		1,713.24
In Co-operative societies:				
Sesa Ghor Premises Holders' Maintenance Society Limited		-		-
400 (200 acquired on amalgamation with Sesa Industries Limited) equity shares of ₹10 each fully paid -up [₹4,000 (Previous year ₹2,000)]				
Sesa Goa Sirsaim Employees' Consumers Co-operative Society Limited		-		-
200 equity shares of ₹10 each fully paid-up [₹2,000 (Previous year ₹2,000)]				
Sesa Goa Sanquelim Employees' Consumers Co-operative Society Limited		-		-
230 euity shares of ₹10 each fully paid-up [₹2,300 (Previous year ₹2,300)]				
Sesa Goa Sonshi Employees' Consumers Co-operative Society Limited		-		-
468 equity shares of ₹10 each fully paid-up [₹4,680 (Previous year ₹4,680)]				
Sesa Goa Codli Employees' Consumers Co-operative Society Limited		-		-
450 equity shares of ₹10 each fully paid-up [₹4,500 (Previous year ₹4,500)]				
Sesa Goa Shipyard Employees' Consumers Co-operative Society Limited		-		-
500 equity shares of ₹10 each fully paid-up [₹5,000 (Previous year ₹5,000)]				
The Mapusa Urban Cooperative Bank Limited		-		-
40 equity shares of ₹25 each fully paid-up [₹1,000 (Previous year ₹1,000)]				
In other companies:				
Goa Shipyard Limited		0.03		0.03
62,707 equity shares of ₹10 each fully paid-up (including 34,837 bonus shares)				
Total Cost		9,463.81		5,478.64
Provision for dimunition in value of investments [₹5,000 (Previous year ₹5,000)]		-		-
Total		9,463.81		5,478.64
Notes:				
1. Aggregate amount of mutual fund investments at net asset value		7,831.44		3,782.28
2. Aggregate amount of unquoted investments at cost [including mutual funds ₹7,750.54 crore (Previous year ₹3,723.45 crore)]		9,463.81		5,478.64
3. Investments on lien towards purchase of shares in Cairn India Limited (Refer Note No. 3 of Schedule 19).		1,674.67		-

Schedule 8 : Inventories

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Stocks (at lower of cost and net realisable value) of:				
Raw material [including goods in transit ₹116.32 crore (Previous year ₹Nil)]		294.84		98.03
Finished goods				
Iron ore	226.52		263.65	
Metallurgical coke	35.14		10.66	
Pig Iron	38.58		-	
		300.24		274.31
Work-in-progress		0.32		1.74
Consumables stores and spares [including goods in transit ₹0.13 crore (Previous year ₹0.11 crore)]		46.09		34.58
Total		641.49		408.66

Schedule 9 : Sundry Debtors

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Debts outstanding for a period exceeding six months				
Unsecured and considered good	29.63		36.77	
Considered doubtful	0.09		-	
		29.72		36.77
Other debts				
Unsecured and considered good		477.25		241.69
		506.97		278.46
Less: Provision for doubtful debts		0.09		-
Total		506.88		278.46
Note:				
Dues from subsidiaries				
- Sesa Industries Limited (amalgamated with the Company)		-		39.14
- Sesa Resources Limited		9.68		-
- Sesa Mining Corporation Limited		-		0.05

Schedules Annexed to and Forming Part of the Balance Sheet (continued)

Schedule 10 : Cash and Bank Balances

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Cash on hand [including cheques and demand drafts on hand ₹3.27 crore (Previous year ₹2.32 crore)]		3.38		2.42
Demand drafts in transit		4.02		0.77
Balances with scheduled banks:				
On current account (Refer Note No. 2)	170.84		19.74	
On deposit account	698.00		2,350.00	
On EEFC account	0.01		0.08	
On unpaid dividend account	14.99		4.32	
		883.84		2,374.14
Balances with other banks:				
On current account (Refer Note No. 1)		0.08		0.08
Total		891.32		2,377.41

Notes:

1.

Name of other banks	Balance (₹ in crore)	Max. balance at any time during the year ₹ in crore	Balance (₹ in crore)	Max. balance at any time during the year ₹ in crore
Bank of Shanghai, China	0.08	0.18	0.08	0.15

2. Balance in current account includes ₹140.16 crore, held in Escrow account towards purchase of shares in Cairn India Limited. (Refer Note No. 3 of Schedule 19)

Schedule 11 : Loans and Advances

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Unsecured considered good unless otherwise stated				
Advances recoverable in cash or in kind or for value to be received				
Considered good	220.77		93.73	
Considered doubtful	0.62		0.50	
Less: Provision for doubtful advances	0.62		0.50	
		220.77		93.73
Intercorporate deposits (Refer Note No. 26 of Schedule 19)		1,026.71		1,000.00
Balances with port trusts, customs, excise authorities etc.		2.01		2.36
Loans and advances to staff (Refer Note No. 11 of Schedule 19)		1.02		0.66
Prepaid expenses		8.28		5.17
Deposits		12.72		9.27
Total		1,271.51		1,111.19

Schedule 12 : Current Liabilities

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Sundry creditors				
Due to micro and small enterprises (Refer Note No. 12 of Schedule 19)	0.85		0.40	
Due to others *	1,047.30		595.53	
		1,048.15		595.93
Subsidiary companies		4.06		13.78
Advances from customers		22.56		17.74
Unclaimed dividend #		14.99		4.32
Unclaimed matured deposits #		0.05		0.02
Unclaimed interest on deposits #		0.01		0.01
Other liabilities		57.40		27.72
Interest accrued but not due on loans		25.39		45.53
Total		1,172.61		705.05

* Includes ₹1.16 crore due to the directors (Previous year ₹0.84 crore)

There are no amounts due and outstanding as at balance sheet date to be credited to Investor Education and Protection Fund.

Schedule 13 : Provisions

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
For income tax [net of advance tax ₹3,061.35 crore (Previous year ₹1,927.25 crore)]		31.08		43.43
For proposed dividend		304.18		270.06
For dividend tax		49.35		45.90
For gratuity		5.19		3.13
For compensated absence		17.51		12.51
Total		407.31		375.03

Schedules Annexed to and Forming Part of the Profit and Loss Account

Schedule 14 : Services and Other Proceeds

Particulars	Year ended 31st March, 2011		Year ended 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Sale of material		9.29		3.19
Sale of gases		3.11		2.30
Sale of slag		3.77		-
Technology licence fee		-		3.86
Sale of carbon credits		4.44		-
Barge hire charges [Tax deducted at source ₹0.18 crore (Previous year ₹0.20 crore)]		7.32		4.11
Proceeds from various services [Tax deducted at source ₹0.44 crore (Previous year ₹0.63 crore)]		13.04		23.76
Repairs of vessels by shipyard [Tax deducted at source ₹0.05 crore (Previous year ₹0.002 crore)]		4.66		0.04
Difference in rate of exchange (net)		17.38		20.74
Total		63.01		58.00

Schedule 15 : Miscellaneous Income

Particulars	Year ended 31st March, 2011		Year ended 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Interest on Intercorporate deposits [Tax deducted at source ₹9.01 crore (Previous year ₹14.18 crore)]	91.03		95.21	
Interest on Fixed deposits [Tax deducted at source ₹10.81 crore (Previous year ₹0.67 crore)]	81.89		45.93	
Interest others	0.09		1.24	
		173.01		142.38
Dividends				
On current investments (Non trade)	259.86		66.66	
On long term investments (Non trade)	0.06		0.04	
		259.92		66.70
Profit on sale of current investments (net)		61.86		75.21
Profit on sale of assets (net)		0.65		0.12
Difference in rate of exchange on Foreign Currency Convertible Bonds		-		121.91
Other receipts [Tax deducted at source ₹0.14 crore (Previous year ₹0.25 crore)]		2.38		3.13
Total		497.82		409.45

Schedule 16 : Production and Operational Expenses

Particulars	Year ended 31st March, 2011		Year ended 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Increase/decrease in stock of ore, finished goods and work-in-progress				
Opening stock				
Iron ore	263.65		131.78	
Metallurgical coke	10.66		11.67	
Work-in-progress	1.74		1.63	
	276.05		145.08	
Pig iron (acquired on amalgamation)	12.38		-	
	288.43		145.08	
Less: Closing stock				
Iron ore	226.52		263.65	
Metallurgical coke	35.14		10.66	
Pig Iron	38.58		-	
Work-in-progress	0.32		1.74	
	300.56		276.05	
		(12.13)		(130.97)
Excise duty on stock of finished goods		3.75		-
Consumption of raw materials		397.35		306.53
Consumption of stores [includes cost of supplies to contractors of the value of ₹65.81 crore (Previous year ₹59.54 crore)]		244.58		208.71
Purchase of ore		536.39		309.56
Personnel (Refer Note No. 15 of Schedule 19)				
Salaries, wages, bonus and allowances	87.14		70.61	
Contributions to provident and other funds	4.79		3.12	
Contributions to gratuity and annuity funds	6.05		3.82	
Staff welfare expenses	11.20		6.00	
		109.18		83.55
Repairs and maintenance (Refer Note No. 9 of Schedule 19)				
Plant and machinery	14.41		5.94	
Buildings	7.48		1.22	
Others	1.26		1.56	
		23.15		8.72
Contractors for hired trucks and other services		615.56		590.04
Hire charges of barges		61.52		65.60
Wharfage, tonnage, handling and shipping expenses		123.41		141.29
Railway freight		274.38		281.01
Rent		3.99		3.02
Export duty		516.05		109.75
Royalty and cess		249.61		112.80
Rates and taxes		3.51		8.27
Insurance		12.45		7.22
Electricity and water charges		14.97		11.79
Demurrage over despatch		144.71		90.62
Commission and service charges on sales		2.12		5.43
Analysis of ore		3.86		5.84
Maintenance of offices		0.88		0.46
Printing and stationery		0.72		0.58
Travelling and representation expenses		5.79		2.98
Maintenance of vehicles		0.43		0.36
General expenses		40.29		38.18
Provision for mine closure expenses (Refer Note No. 10 of Schedule 19)		0.37		0.10
		3,376.89		2,261.44
Less: Extraction and processing costs recovered		27.34		34.69
Total		3,349.55		2,226.75

Schedules Annexed to and Forming Part of the Profit and Loss Account (continued)

Schedule 17 : Administration Expenses

Particulars	Year ended 31st March, 2011		Year ended 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Personnel (Refer Note No. 15 of Schedule 19)				
Salaries, wages, bonus, allowances and commission	34.44		31.63	
Contributions to provident and other funds	0.80		0.60	
Contributions to gratuity and annuity funds	1.89		1.23	
Staff welfare expenses	2.77		1.44	
		39.90		34.90
Maintenance of offices and equipment		1.90		1.06
Printing and stationery		0.98		0.76
Postage, telephone, cables and telex charges		1.18		1.29
Fees to Auditors				
Audit fees	0.28		0.20	
Other certification fees	0.35		0.31	
Reimbursement of expenses	0.04		0.03	
		0.67		0.54
Sitting fees and commission to non wholetime directors		0.49		0.31
Travelling expenses [includes travelling expenses of directors ₹0.67 crore (Previous year ₹0.59 crore)]		4.01		4.38
Professional and legal charges		35.17		18.03
Maintenance of vehicles		2.14		1.88
Donations and contributions		5.63		5.99
Provision for doubtful debts		0.07		-
Provision for doubtful advances		0.12		0.50
Claim under litigation		1.67		9.03
Miscellaneous expenses		7.44		4.80
		101.37		83.47
Recovery from subsidiary company		-		9.60
Total		101.37		73.87

Schedule 18 : Interest and Other Finance Charges

Particulars	Year ended 31st March, 2011		Year ended 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Interest on fixed period loans:				
On Foreign Currency Convertible Bonds		27.86		45.36
Interest others		7.40		3.66
Difference in rate of exchange on Foreign Currency Convertible Bonds		48.78		-
Discounting charges		1.67		1.75
Other charges		2.72		2.92
Total		88.43		53.69

Notes Forming Part of the Accounts

For the Year Ended 31st March, 2011

Schedule 19:

1. **Significant Accounting Policies**

   i) Basis of accounting

   The financial statements have been prepared on accrual basis under the historical cost convention to comply in all material respects with the Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 1956.

   ii) Use of estimates

   The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognised in the period in which the results are known / materialised.

   iii) Revenue recognition

   Revenue is recognised when significant risks and rewards of ownership of the goods sold are transferred to the customer and the commodity has been delivered to the shipping agent/customer.

   Revenue represents the invoice value of goods and services provided to third parties net of discounts, sales taxes/value added taxes, and is after considering adjustments on final invoices (arising on analysis variances) received upto the year end.

   Revenue in respect of contracts for services is recognised on completion of services.

   Dividend income is recognised when the right to receive dividend is established.

   Interest income is recognised on a time proportion basis by reference to the principal outstanding and at the interest rate applicable.

   iv) Employee benefits

   a. Provident fund: The Company's contribution to the recognised provident fund, pension fund and employees' deposit linked insurance scheme paid/payable during the year is debited to the Profit and Loss Account.

   b. Gratuity fund: The Company accounts for the net actuarial liability of its obligations for gratuity benefits based on an independent actuarial valuation determined on the basis of the projected unit credit method carried as at the year end. Based on the above determined obligation, the Company makes contribution to funds managed by insurance companies. Actuarial gains and losses are immediately recognised in the Profit and Loss Account.

   c. Annuity fund: The Company has a defined contribution plan for certain categories of employees, wherein it annually contributes a predetermined proportion of employee's salary to an insurance company which administers the fund. The Company recognises such contributions as an expense over the period of services rendered.

   d. Compensated absence: The liability in respect of compensated absence for employees is determined on the basis of an independent actuarial valuation carried out at the end of the year and differential liability recognised as expense in the Profit and Loss Account.

   v) Investments

   Long-term investments are stated at cost less provision for diminution. Provision for diminution is made to recognise decline (other than temporary) in the value of investments, if any. Current investments are stated at cost or market value, whichever is lower.

Notes Forming Part of the Accounts
For the Year Ended 31st March, 2011 (Continued)

Schedule 19: (continued)

vi) Inventories

Raw material, consumable stores and spares are held for use in production and are valued at cost determined on the basis of weighted average method.

Work-in-progress, stock of iron ore, metallurgical coke and pig iron are valued at lower of cost or net realisable value. Cost includes raw material and proportion of fixed and variable overheads.

vii) Foreign currency transactions

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Year end balance of monetary assets and liabilities are translated at the year end rates. Exchange difference arising on restatement or settlement is charged to the Profit and Loss Account.

viii) Foreign currency forward contracts

The Company enters into forward derivative financial instruments to hedge its exposure to foreign currency. The Company does not hold derivative financial instruments for speculative purposes. Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet dates.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Profit and Loss Account.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in Reserves and Surplus. Amount deferred to Reserves and Surplus are recycled in the Profit and Loss Account in the period when the hedged item is recognised in the Profit and Loss Account.

Derivative financial instruments that do not qualify for hedge accounting are marked to market at the balance sheet date and gains or losses are recognised in the Profit and Loss Account immediately.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in Reserves and Surplus is kept in reserves and surplus until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Reserves and Surplus is transferred to the Profit and Loss Account for the year.

ix) Fixed assets

Fixed assets except for the leasehold mine at Karnataka, are stated at their original cost along with taxes, duties (net of Modvat/Cenvat availed, if any), freight and interest on borrowings up to the date of commissioning for operation, attributable to acquisition/construction of the concerned assets.

The iron ore reserves of the leased mine located in Karnataka were valued and shown as fixed assets by erstwhile A. Narrain Mines Ltd. (ANML). The Company continues to show the value of the said mining lease as fixed assets after merger of said ANML. The Company's other mining leases having ore reserves, however, are not valued. Amounts paid to Government authorities towards renewal of forest clearances in respect of owned mining leases are capitalized as a part of mining leases.

x) Borrowing costs

Borrowing costs attributable to the acquisition or construction of assets requiring a substantial period of time are capitalised. All other borrowing costs including exchange differences on foreign currency loans are charged to revenue.

xi) Depreciation

Depreciation, except on the leasehold mine at Karnataka, and in respect of vehicles, furniture, computers and railway wagons is provided for on Straight Line Method (SLM) at the rates specified in Schedule XIV of the Companies Act, 1956. In respect of vehicles, furniture and computers, depreciation has been charged on SLM method at annual rate of 20%, 10% and 30% respectively to bring it in line with the useful life of the assets. The cost of railway wagons procured under Wagon Investment Scheme (WIS) is being depreciated at the rate of 10% per annum on a Straight Line basis. The value of mining leases capitalised are amortised in proportion to actual quantity of ore extracted therefrom. Amounts paid towards renewal of forest clearances in respect of owned mining lease are amortised over the operating period of the lease. Fixed assets costing less than ₹5,000 are wholly depreciated in the year of acquisition. Expenses on implementation of Enterprise Resource Planning – SAP are amortized over thirty six months.

Depreciation has been charged from the month of the date of purchase in the case of acquisitions made during the year. In respect of assets sold, depreciation is provided up to the month prior to the date of sale.

xii) Impairment of assets

The carrying amounts of tangible fixed assets are reviewed for impairment, if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Whenever the carrying value of an asset exceeds recoverable amount, impairment is charged to the Profit and Loss Account.

xiii) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is neither recognised nor disclosed.

xiv) Segment reporting

The Company is in the business of mining and sale of iron ore, manufacture and sale of metallurgical coke and pig iron. All of the Company's establishments are located in one country i.e. India. The revenues from other than sale of ore, metallurgical coke and pig iron are either incidental to the above three businesses or of non-recurring nature. Therefore the Company operates in three business segments.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis, have been included under "Unallocated revenue/ expenses/ assets/ liabilities".

xv) Taxes on income

The Company's income taxes include taxes on the Company's taxable profits, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities/receivables are carried at current amounts and in accordance with enacted tax regulations, rates or in the case of deferred taxes those that have been substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

Notes Forming Part of the Accounts

For the Year Ended 31st March, 2011 (Continued)

Schedule 19: (continued)

xvi) Accounting for government grants/refunds

Government grants/subsidies and refunds due from Government Authorities are accounted when there is reasonable certainty of their realisation.

2. Amalgamation of Sesa Industries Limited with the Company:

a) The Honourable Supreme Court of India, by an Order dated 7th February, 2011, approved the Scheme of Amalgamation (the "Scheme") of Sesa Industries Limited (engaged in the manufacture and sale of Pig Iron and hereinafter referred to as SIL) (erstwhile subsidiary of Sesa Goa Limited) with the Company effective from the appointed date i.e. 1st April, 2005, by setting aside the Order dated 21st February, 2009, passed by the Division Bench of the High Court of Bombay at Goa not sanctioning the Scheme passed by the Single Bench of the Honourable High Court of Bombay, at Goa vide its Order dated 18th December, 2008. The Scheme has accordingly been given effect to in these financial statements. The effective date of amalgamation is 14th February, 2011.

b) In accordance with the Scheme approved by the Court:

i) SIL stands dissolved without winding up with effect from 1st April, 2005.

ii) All assets, debts and liabilities of SIL have been deemed transferred to and vested in the Company with effect from 1st April, 2005.

iii) 9,398,864 equity shares of ₹1 each have been issued in the ratio of 20 fully paid equity shares of ₹1 each (after adjustment for stock split and bonus shares) in the Company for 5 fully paid equity shares of ₹10 each held by the shareholders of SIL except that 17,650,284 equity shares held by the Company in SIL stand cancelled.

iv) Dividend on the aforesaid 9,398,864 equity shares of ₹1 each amounting to ₹12.88 crore has been paid to the shareholders of erstwhile SIL for the financial years from 31st March, 2006 to 31st March, 2010 at the rates declared in the relevant years. The aforesaid amount of ₹12.88 crore includes dividend tax of ₹1.83 crore.

c) The amalgamation has been accounted using the "Pooling of Interests" method whereby:

i) The assets, liabilities and reserves (excluding share premium) of SIL have been recorded at their book values. The excess of net assets over the face value of shares allotted after eliminating the carrying value of the investment held in erstwhile SIL has been credited to Amalgamation Reserve. Accordingly, the balance of share premium in erstwhile SIL also stands eliminated.

ii) The balance in the Profit and Loss account of SIL as of 1st April, 2005 ₹6.60 crore and the incremental balance of ₹276.88 crore until 31st March, 2010 being the profits for the period from 1st April, 2005 to 31st March, 2010 has been included in the balance in Profit and Loss Account.

d) In view of the above amalgamation, the figures for the current year are not comparable with those of the previous year.

3. The Company has proposed to acquire upto 20% of the equity share capital of Cairn India Ltd ("CIL"), subject to requisite approvals. For the said acquisition, the Company is acting as a Person in Concert with its ultimate holding company Vedanta Resources Plc ("Vedanta"), and/or any of Vedanta's subsidiaries for acquiring majority of equity shares of CIL. The Company has received clearance from Securities and Exchange Board of India ("SEBI") to proceed with an open offer of up to 20% of the shares of CIL. The Company has launched the Open Offer from 11th April, 2011 at a price of ₹355 per share of CIL which will close on 30th April, 2011.

In April 2011, the Company acquired 200 million shares amounting to 10.4% stake in CIL from Petronas International Corporation Ltd. ("Petronas") at a price of ₹331 per share. The acquisition is in addition to the Open Offer launched by the Company on 11th April, 2011.

4. The Company has acquired assets of the upcoming Steel Plant Unit of Bellary Steel and Alloys Ltd. ("BSAL") for an all cash consideration of ₹220.00 crore. BSAL was in the process of putting up a 0.5 mtpa Steel Plant Project at Bellary. The properties of the under construction plant acquired are freehold land of ~700 acres, building and structures, plant and machinery and other assets of the Steel Plant. The Assets have been transferred on an "As is where is" basis to the Company as of 22nd March, 2011.

The above acquisition has been challenged by JSW Ltd. in the Supreme Court. The court has asked both the parties to maintain status quo till the matter is decided.

5. During the previous year 2009-10, the Company had issued 33,274,000 equity shares of ₹1 each at a premium of ₹160.46 per share for cash to Twin Star Holdings Limited on a preferential basis under the applicable provisions of The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 (the "Guidelines"). A part of the proceeds aggregating ₹101.47 crore (Previous year ₹101.47 crore) has been utilised for the Company's capital projects. The unutilised portion of the issue proceeds amounting to ₹435.77 crore (Previous year ₹435.77 crore) has been invested in Mutual Funds.

6. During the previous year 2009-10 the Company issued 5000 Foreign Currency Convertible Bonds ("FCCBs") aggregating US$ 500 million at a coupon rate of 5% (net to bondholder). The bondholders have an option to convert these FCCBs into shares, at a conversion price of ₹346.88 per share at a fixed rate of exchange on conversion of ₹48.00 per US$ 1.00 at any time on or after 9th December, 2009. The conversion price is subject to adjustment in certain circumstances. The FCCBs may be redeemed in whole, but not in part, on or after 30th October, 2012, subject to certain conditions. Unless previously converted, redeemed or repurchased and cancelled, the FCCBs fall due for redemption on 31st October, 2014 at par. As at 31st March, 2011, 2,832 FCCB's have been converted into 39,188,159 equity shares.

A part of the proceeds aggregating ₹775.28 crore (Previous year ₹21.70 crore) has been utilised for the Company's capital projects, the construction of which is in progress. The unutilised portion of the FCCB proceeds aggregating ₹1,607.22 crore (Previous year ₹2,360.80 crore) have been placed in term deposits/ mutual funds/ current accounts with a scheduled bank, pending utilisation. Interest aggregating ₹4.72 crore (Previous year ₹0.17 crore) in respect of amounts utilised for the construction of capital projects has been capitalised and included as part of Capital Work in Progress. The balance interest amounting to ₹27.86 crore (Previous year ₹45.36 crore) has been charged to the Profit and Loss Account.

7. Contingent Liabilities:

i) Guarantees (excluding the liability for which provisions have been made) amounting to ₹7.83 crore (Previous year ₹9.04 crore) given by the Bankers in favour of various parties - none invoked.

ii) Letters of Credit opened by the banks in favour of suppliers amounting to ₹363.13 crore (Previous year ₹174.52 crore).

iii) Bonds executed in favour of customs authorities in respect of export of iron ore ₹1,627.71 crore (Previous year ₹1,003.23 crore).

iv) Claims by custom authorities (under dispute) relating to differential export duty on export shipments ₹49.13 crore (Previous year ₹49.13 crore). The said amount is also included under bonds executed detailed in point 7 (iii) above.

v) Bills discounted under letters of credit with banks ₹353.90 crore. (Previous year ₹471.08 crore).

Notes Forming Part of the Accounts

For the Year Ended 31st March, 2011 (Continued)

Schedule 19: (continued)

vi) Provisions have also not been made in the accounts in respect of the following liabilities not acknowledged as debts for the reasons stated against them:

a) Dead rent on deemed mining leases for the period from 20.12.1962 to 23.5.1987 amounting to ₹0.10 crore (Previous year ₹0.10 crore) and royalty for the period from 20.12.1961 to 30.9.1963 amounting to ₹0.12 crore (Previous year ₹0.12 crore) sought to be levied by the Government pursuant to the Goa, Daman & Diu Mining Concessions (Abolition & Declaration as Mining Leases) Act, 1987, challenged by Special Leave Petition before Supreme Court of India.

b) Claims related to commercial and employment contracts ₹7.40 crore (Previous year ₹7.06 crore).

c) A civil suit claiming a damage of a minimum amount of ₹37.50 crore (Previous year ₹37.50 crore) towards infringement of patent has been filed against the Company.

d) Disputed sales tax demand of ₹0.45 crore (Previous year ₹0.45 crore) including interest and penalty of ₹0.09 crore (Previous year ₹0.09 crore) appealed before Appellate Authority.

e) Disputed income tax demand of ₹19.51 crore (Previous year ₹9.24 crore) including interest and penalty of ₹1.71 crore (Previous year ₹0.56 crore), appealed before Appellate Authority.

f) Disputed demand from customs authorities towards fine and penalty of ₹0.35 crore (Previous year ₹0.35 crore) for improper documentation of equipment loaded/unloaded to/from the company's vessel M.V. Orissa and its improper use.

g) Disputed demand from customs authorities of ₹1.60 crore including penalty of ₹0.80 crore, for transferring imported metallurgical coke at concessional rate of duty under the provisions of Customs (Import of Goods at Concessional rate of Duty for manufacture of Excisable Goods) Rules 1996 to the erstwhile M/s. Sesa Kembla Coke Company Limited, appealed before the Appellate Authority.

h) Disputed forest development tax amounting to ₹173.96 crore (Previous year ₹164.12 crore) levied by Government of Karnataka challenged by writ petition filed in the High Court of Karnataka. Hearing of writ petition before the High Court of Karnataka is pending. A bank guarantee amounting to ₹35.00 crore (Previous year ₹74.00 crore) has been furnished against this demand. Also an amount of ₹32.97 crore (Previous year ₹5.00 crore) has been deposited against aforesaid demand and same is included under Loans and Advances

i) A Notice issued by the Deputy Conservator of Forest, Chitradurga, demanding registration of a supplemental forest lease agreement by payment of stamp duty calculated on the net present value which has been challenged in the High Court of Karnataka. Estimated liability is ₹0.92 crore (Previous year ₹0.92 crore). A bank guarantee amounting to ₹0.45 crore (Previous year ₹0.45 crore) has been furnished against this demand.

j) Cess on transportation of Ore, coal and coke within Goa levied by Government of Goa under the Goa Rural Development and Welfare Cess Act, 2000 (Goa Act, 29 of 2000) amounting to ₹73.16 crore (Previous year ₹49.31 crore) challenged by way of writ petition in the High Court of Bombay, Panjim Bench.

k) A demand from Railway authorities towards stacking charges amounting to ₹4.09 crore appealed before Kolkata High Court and stay obtained. A bank guarantee amounting to ₹4.09 crore has been furnished against this demand.

The Company does not expect devolvement of any liability in respect of the above.

8. Estimated amount of contracts (net of advances) remaining to be executed on capital account ₹319.16 crore (Previous year ₹402.21 crore).

9. Direct expenditure on repairs and maintenance included under major heads of expenses are as under:

(₹ in crore)

	Particulars	Plant and Machinery	Buildings	Others	Total
a)	Wages and salaries	14.42	0.64	0.21	15.27
		(11.35)	(0.22)	(0.07)	(11.64)
b)	Consumption of stores	59.63	2.12	0.60	62.35
		(51.46)	(0.72)	(0.33)	(52.51)
c)	Contractors for various services	15.53	0.45	0.51	16.49
		(17.66)	(1.32)	(0.37)	(19.35)
d)	Others	1.73	1.88	0.17	3.78
		(1.46)	(-)	(0.06)	(1.52)
	Total	91.31	5.09	1.49	97.89
		(81.93)	(2.26)	(0.83)	(85.02)

(Figures in bracket relate to previous year.)

10. In terms of the Mineral Concession Rules, 1960 and Mineral Conservation and Development Rules, (MCDR) 1988, the Company has provided a "financial assurance" in the form of a bank guarantee to the Regional Controller of Mines, towards its mine closure obligation. The Company has made a provision for expense to the extent of the bank guarantees provided.

The present mine closure provision at 31st March, 2011 is as under:

(₹ in crore)

Nature of obligation	2010-11	2009-10
Mines Closure Provision		
Opening carrying amount	1.60	1.50
Additional provisions made during the year	0.37	0.10
Amounts used during the year	-	-
Unused amounts reversed during the year	-	-
Closing carrying amount	1.97	1.60

11. Loans and Advances as shown in Schedule 11 include the following amounts due from:

(₹ in crore)

Particulars	2010-2011		2009-2010	
	As at 31st March, 2011	Maximum amount during the year	As at 31st March, 2010	Maximum amount during the year
Advance recoverable in cash or kind or for value to be received				
Directors Travel/LTA Advance	0.01	0.02	-	0.05

12. The Micro and Small Enterprises to whom amount is outstanding as at the year end and requiring disclosure under Schedule VI of the Companies Act, 1956, and the Micro Small and Medium Enterprises Development Act, 2006 are as follows:

(₹ in crore)

Sr. No.	Particulars	2010-11	2009-10
1.	The principal amount remaining unpaid to supplier as at the end of accounting year.	0.85	0.40
2.	The interest due thereon remaining unpaid to supplier as at the end of accounting year.	-	-

The above information has been compiled in respect of parties to the extent to which they could be identified as micro or small enterprises on the basis of intimation received from the "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act, 2006.

Notes Forming Part of the Accounts
For the Year Ended 31st March, 2011 (continued)

Schedule 19: (continued)

13. Details of movement in investments purchased/ sold during the year

Name of the fund	Balance as on 1st April, 2010		Acquired on amalgamation		Purchased during the year*		Redemption during the year		Balance as on 31st March, 2011	
	Units	Amount (₹ in crore)	Units	Amount (₹ in crore)	Units	Amount (₹ in crore)	Units	Amount (₹ in crore)	Units	Amount (₹ in crore)
Birla Sunlife-Cash Manager Fund-Institutional Plan-daily dividend reinvest option	-	-	-	-	66,804,954	66.82	66,804,954	66.82	-	-
Birla Sunlife-Floating rate Fund-Long term-Institutional-Daily Dividend	-	-	-	-	318,020,170	318.02	318,020,171	318.02	-	-
Birla Sunlife-Floating rate Fund-Long term-Institutional-weekly dividend	-	-	-	-	759,007,987	759.27	759,007,987	759.27	-	-
Birla Sunlife Floating Rate Fund-Long term (Institutional Plan)-Growth	99,979,004	100.00	-	-	-	-	99,979,004	100.00	-	-
Birla Sunlife Short Term Opportunity fund-dividend payout option	-	-	-	-	1,379,998,698	1,381.55	870,819,454	871.65	509,179,244	509.90
Birla Sunlife Cash Plus Plan-Institutional-Daily Dividend Reinvest Option	-	-	-	-	2,233,755,615	2,412.97	2,207,847,997	2,384.98	25,907,618	27.99
Birla Sunlife Fixed term Plan-Series CD (370 Days)-Growth	50,000,000	50.00	-	-	-	-	-	-	50,000,000	50.00
Birla Sunlife Interval Income Fund-QIP-Series I-Dividend Payout	30,000,000	30.00	-	-	-	-	30,000,000	30.00	-	-
Birla Sunlife Interval Income Fund-QIP-Series II-Dividend Payout	200,000,000	200.00	-	-	-	-	200,000,000	200.00	-	-
Birla Sunlife Quarterly Interval fund-Series 4-Dividend Payout	-	-	-	-	350,000,000	350.00	350,000,000	350.00	-	-
Birla Sunlife Saving Fund-Institutional- Growth	3,249,708	5.68	-	-	-	-	3,249,708	5.68	-	-
Birla Sunlife Saving Fund-Institutional-Daily Dividend Reinvest Option	-	-	-	-	1,303,784,484	1,304.67	1,303,784,484	1,304.67	-	-
Birla Sunlife Short term FMP-Series 3-Dividend Payout	-	-	-	-	150,021,035	150.02	150,021,035	150.02	-	-
Birla Sunlife Short term FMP-Series 4-Dividend Payout	-	-	-	-	125,000,000	125.00	-	-	125,000,000	125.00
Birla Sunlife Ultra Short term fund-Institutional plan-daily dividend reinvest option	-	-	-	-	1,570,767,741	1,571.63	1,570,767,741	1,571.63	-	(0.00)
Birla Sunlife Ultra Short term fund-Institutional plan-Growth	-	-	-	-	290,942,270	340.09	-	-	290,942,270	340.09
Canara Robeco Interval Series 2-Quarterly Plan 2-Institutional-Dividend Option	-	-	-	-	194,960,413	195.00	194,960,413	195.00	-	-
Canara Robeco Floating Rate ST-Daily dividend fund	-	-	-	-	48,750,054	50.02	48,750,054	50.02	-	-
Canara Robeco Floating Rate ST-Growth	-	-	-	-	32,896,763	50.02	-	-	32,896,763	50.02
Canara Robeco Liquid Super Institutional Fund-Daily Dividend Reinvest Option	-	-	-	-	813,909,903	818.12	813,909,903	818.12	-	-
Canara Robeco Treasury Advantage Super Institutional Fund-Daily Dividend Reinvest option	-	-	-	-	931,491,810	1,155.71	931,491,810	1,155.71	-	-
Canara Robeco Treasury Advantage Super Institutional Fund-Growth	37,198,258	51.70	-	-	221,454,262	328.71	37,198,258	51.70	221,454,262	328.71
DSP Blackrock FMP-3M Series 25-Dividend	-	-	-	-	235,000,000	235.00	235,000,000	235.00	-	-
DSP Blackrock FMP-3M Series 26-Dividend	-	-	-	-	125,000,000	125.00	125,000,000	125.00	-	-
DSP Blackrock FMP-3M Series 27-Dividend	-	-	-	-	100,000,000	100.00	-	-	100,000,000	100.00
DSP Blackrock Money Manager Fund-Institutional Plan-Daily Dividend reinvest Option	-	-	-	-	3,584,304	358.72	3,584,304	358.72	-	-
DSP Blackrock Money Manager Fund-Institutional Plan-Growth	-	-	-	-	1,484,351	202.72	-	-	1,484,351	202.72
HDFC Cash Management fund-Treasury Advantage plan-Wholesale-Daily Dividend Reinvest Option	-	-	-	-	656,073,055	658.14	656,073,055	658.14	-	-
HDFC Cash Management fund-Treasury Advantage plan-Wholesale-Growth Option	58,718,460	118.52	35,365,020	71.38	19,306,033	41.55	94,083,480	189.90	19,306,033	41.55
HDFC Cash Management fund-Savings Plan-Daily Dividend Reinvest Option	-	-	-	-	718,624,952	764.36	718,624,952	764.36	-	-
HDFC Floating rate income fund-Short Term Plan-wholesale Option-Daily dividend Reinvest	-	-	-	-	760,182,825	766.33	760,182,825	766.33	-	-
HDFC Floating rate income fund-Short Term Plan-wholesale Option-Growth	-	-	-	-	71,921,574	120.33	-	-	71,921,574	120.33
HDFC FMP 35D AUG 2010 (2)-Dividend Payout	-	-	-	-	50,000,000	50.00	50,000,000	50.00	-	-

Name of the fund	Balance as on 1st April, 2010		Acquired on amalgamation		Purchased during the year*		Redemption during the year		Balance as on 31st March, 2011	
	Units	Amount (₹ in crore)	Units	Amount (₹ in crore)	Units	Amount (₹ in crore)	Units	Amount (₹ in crore)	Units	Amount (₹ in crore)
HDFC FMP 35D AUG 2010 (3)-Dividend Payout	-	-	-	-	100,000,000	100.00	100,000,000	100.00	-	-
HDFC FMP 35D SEP 2010 (1)-Dividend Payout	-	-	-	-	40,000,000	40.00	40,000,000	40.00	-	-
HDFC FMP 370D June 2010 (1)-Growth	-	-	-	-	25,000,000	25.00	-	-	25,000,000	25.00
HDFC FMP 370Days 2010 (2)-Dividend Payout	-	-	-	-	35,000,000	35.00	-	-	35,000,000	35.00
HDFC FMP 90D June 2010-Dividend -Series XIII -Dividend Payout	-	-	-	-	75,000,000	75.00	75,000,000	75.00	-	-
HDFC Quarterly Interval Fund- Plan C-Dividend Payout	65,000,000	65.00	-	-	-	-	65,000,000	65.00	-	-
HDFC Short Term Opportunities Fund-Dividend Payout Option	-	-	-	-	150,000,000	150.00	150,000,000	150.00	-	-
ICICI Prudential Floating rate-Plan D-Daily Dividend Reinvest Option	-	-	-	-	22,206,328	222.11	22,206,328	222.11	-	-
ICICI Prudential- Ultra Short term Plan Super Premium- Growth	76,479,277	79.01	101,471,810	104.83	-	-	177,951,087	183.84	-	-
ICICI Prudential- Ultra Short term Plan Super Premium-daily dividend reinvest option	-	-	-	-	883,351,684	885.21	883,351,684	885.21	-	-
ICICI Prudential-Flexible Income Plan Premium-dividend reinvest option	-	-	-	-	75,228,485	795.43	61,040,576	645.41	14,187,909	150.02
ICICI Prudential-Flexible Income Plan Premium-Growth	-	-	-	-	3,531,557	64.56	-	-	3,531,557	64.56
ICICI Prudential Floating rate-Plan D-Growth	-	-	-	-	11,831,442	172.11	-	-	11,831,442	172.11
ICICI Prudential Banking and PSU debt premium plus-daily dividend reinvest option	-	-	-	-	538,641,497	541.93	302,138,703	303.74	236,502,794	238.18
ICICI Prudential FMP Series 51-1 Year Plan B-Growth	-	-	20,000,000	20.00	-	-	-	-	20,000,000	20.00
ICICI Prudential FMP Series 52-1 Year Plan A-GROWTH	20,000,000	20.00	-	-	-	-	-	-	20,000,000	20.00
ICICI Prudential Interval Fund-Monthly Interval Plan A-Institutional-Dividend	-	-	-	-	49,981,507	50.00	-	-	49,981,507	50.00
ICICI Prudential Interval Fund II-Quarterly Interval Plan E-Institutional-Dividend Option	-	-	-	-	78,327,561	78.35	78,327,561	78.35	-	-
ICICI Prudential Interval Fund IV-Quarterly Interval Plan B-Institutional-Dividend	-	-	-	-	30,000,000	30.00	30,000,000	30.00	-	-
ICICI Prudential Long term Floating Rate Plan C-Dividend	-	-	-	-	249,800,160	250.00	249,800,160	250.00	-	-
ICICI Prudential Medium Term Premium Plus-Dividend payout	150,000,000	150.00	-	-	-	-	150,000,000	150.00	-	-
ICICI Prudential Blended Plan B-Institutional Plan-Daily Dividend Reinvest option	-	-	-	-	935,199,072	935.25	299,895,037	299.47	635,304,036	635.78
ICICI Prudential Blended Plan B-Institutional Plan-Dividend Option	-	-	-	-	1,075,578,370	1,116.08	979,469,812	1,016.07	96,108,558	100.01
ICICI Prudential Institutional Liquid Fund-Super Institutional-Daily Dividend Reinvest Option	-	-	-	-	90,149,939	901.70	90,149,939	901.70	-	-
ICICI Prudential Interval Fund II-Quarterly interval plan-Institutional-dividend	-	-	-	-	50,000,000	50.00	50,000,000	50.00	-	-
IDFC Cash Fund-Liquid Plan-Daily Dividend Reinvest Option	-	-	-	-	500,438,462	500.56	500,438,462	500.56	-	-
IDFC Fixed Maturity plan Monthly Series -30-Dividend	-	-	-	-	150,000,000	150.00	-	-	150,000,000	150.00
IDFC FMP-Half Yearly Series 9 9-Dividend Payout Option	100,000,000	100.00	-	-	-	-	100,000,000	100.00	-	-
IDFC FMP Monthly -Series 27 - Dividend Payout Option	-	-	-	-	75,000,000	75.00	75,000,000	75.00	-	-
IDFC Money Manager Fund-Inst Plan B-Daily Dividend	-	-	-	-	100,008,025	100.02	100,008,025	100.02	-	-
IDFC Money Manager Fund-Treasury Plan-Super Institutional Plan C-daily dividend reinvest option	-	-	-	-	943,123,326	943.96	943,123,326	943.96	-	-
IDFC Money Manager Fund-Treasury Plan-Super Institutional Plan C-Growth	253,582,504	363.38	-	-	171,669,399	200.00	253,582,504	363.38	171,669,399	200.00
IDFC Saving Advantage Fund-Plan A-Daily Dividend Reinvest option	-	-	-	-	2,512,331	251.27	-	-	2,512,331	251.27
IDFC Ultra Short Term Fund -Monthly Dividend Payout Option	-	-	-	-	99,542,983	100.01	99,542,983	100.01	-	-
Kotak FMP 13M-Series 5-Growth	50,000,000	50.00	-	-	-	-	50,000,000	50.00	-	-
Kotak FMP 370 Days -Series 1-Growth	50,000,000	50.00	-	-	-	-	50,000,000	50.00	-	-
Kotak FMP 370 Days -Series 3-Growth	-	-	50,000,000	50.00	-	-	-	-	50,000,000	50.00
Kotak FMP QIP-Series 3-Dividend Payout	40,000,000	40.00	-	-	-	-	40,000,000	40.00	-	-
Kotak FMP QIP-Series 4-Dividend Payout Option	-	-	-	-	100,000,000	100.00	100,000,000	100.00	-	-
Kotak FMP QIP-Series 5-Dividend Payout	-	-	-	-	160,000,000	160.00	160,000,000	160.00	-	-
Kotak FMP QIP-Series 6-Dividend Option	250,000,000	250.00	-	-	100,000,000	100.00	350,000,000	350.00	-	-

Notes Forming Part of the Accounts
For the Year Ended 31st March, 2011 (continued)

Schedule 19: (continued)

13. Details of movement in investments purchased/ sold during the year (continued)

Name of the fund	Balance as on 1st April, 2010		Acquired on amalgamation		Purchased during the year*		Redemption during the year		Balance as on 31st March, 2011	
	Units	Amount (₹ in crore)	Units	Amount (₹ in crore)	Units	Amount (₹ in crore)	Units	Amount (₹ in crore)	Units	Amount (₹ in crore)
Kotak FMP QIP-Series 8-Dividend Payout	-	-	-	-	199,952,514	200.00	199,952,514	200.00	-	-
Kotak FMP QIP-Series 1-Dividend Payout	-	-	-	-	100,000,000	100.00	100,000,000	100.00	-	-
Kotak Liquid Institutional Premium-Daily Dividend Reinvest Option	-	-	-	-	1,850,932,225	2,263.34	1,850,932,225	2,263.34	-	-
Kotak Quarterly Interval Plan Series 1-Dividend Option	-	-	-	-	138,000,000	138.00	138,000,000	138.00	-	-
Kotak Quarterly Interval Plan Series 2-Dividend Option	-	-	-	-	74,933,309	75.00	74,933,309	75.00	-	-
Kotak Flexi debt scheme-Daily Dividend Reinvest Option	-	-	-	-	1,552,137,753	1,559.51	1,552,137,753	1,559.51	-	-
Kotak Floater Long term-Daily Dividend Reinvest Option	-	-	-	-	2,626,234,856	2,647.19	2,626,234,856	2,647.19	-	-
Kotak Floater Long term-Growth	159,507,528	233.05	2,483,822	3.63	260,297,999	405.70	161,991,350	236.67	260,297,999	405.70
Kotak Floater Short term-Daily Dividend Reinvest Option	-	-	-	-	705,471,861	713.67	705,471,861	713.67	-	-
Kotak Quarterly Interval Plan-Series 10-Dividend Option	-	-	-	-	89,975,707	90.00	-	-	89,975,707	90.00
Kotak Quarterly Interval Plan-Series 9-Dividend Option	-	-	-	-	79,968,812	80.00	-	-	79,968,812	80.00
Reliance-Liquidity Fund-Daily Divided Reinvest Option	-	-	-	-	114,256,433	114.31	114,256,433	114.31	-	-
Reliance Fixed Horizon fund- XII-Series 4 -Growth	300,000,000	300.00	-	-	-	-	300,000,000	300.00	-	-
Reliance Fixed Horizon Fund -XV-Series 5 -Growth	-	-	-	-	25,000,000	25.00	-	-	25,000,000	25.00
Reliance Fixed Horizon Fund -XV-Series 1 -Dividend Option	-	-	-	-	100,000,000	100.00	100,000,000	100.00	-	-
Reliance Fixed Horizon Fund -XV-Series 6 -Dividend Option	-	-	-	-	200,000,000	200.00	-	-	200,000,000	200.00
Reliance Fixed Horizon Fund -XIV-Series 5 -Growth	50,000,000	50.00	-	-	-	-	-	-	50,000,000	50.00
Reliance Fixed Horizon Fund -XIV-Series 1 -Growth	100,000,000	100.00	-	-	-	-	-	-	100,000,000	100.00
Reliance Fixed Horizon Fund-XIII-Series 3 -Growth	60,000,000	60.00	-	-	-	-	60,000,000	60.00	-	-
Reliance Fixed Horizon Fund-XV-SERIES 4 -Growth	-	-	-	-	50,000,000	50.00	-	-	50,000,000	50.00
Reliance Liquid Fund -Cash Plan-Daily Dividend Reinvest Option	-	-	-	-	57,275,656	63.81	57,275,656	63.81	-	-
Reliance Medium Term Fund-Daily Dividend Reinvest Option	-	-	-	-	370,617,738	633.60	370,617,738	633.60	-	-
Reliance Medium Term Fund-Growth	13,138,729	25.07	-	-	-	-	13,138,729	25.07	-	-
Reliance Money Manager Fund Institutional Option-Daily Dividend Reinvest	-	-	-	-	5,536,858	554.45	4,307,200	431.31	1,229,658	123.14
Reliance Monthly Interval Fund -Series II-Institutional plan-Dividend Option	-	-	-	-	295,872,387	296.02	-	-	295,872,387	296.02
Reliance Monthly Interval Fund-Series I-Institutional Plan-Dividend Option	-	-	-	-	401,186,271	401.31	251,229,784	251.30	149,956,487	150.01
Reliance monthly Interval Fund-Series II-Institutional Plan-Dividend Option	99,963,014	100.00	-	-	-	-	99,963,014	100.00	-	-
Reliance Quarterly Interval Fund -Series III-Institutional -Dividend Option	-	-	-	-	199,930,024	200.00	199,930,024	200.00	-	-
Reliance Quarterly Interval Fund-Series I-Dividend Option	-	-	-	-	263,632,507	264.01	99,908,085	100.00	163,724,422	164.01
Religare FMP-Series -II Plan C (15 Months)-Growth	100,000,000	100.00	-	-	-	-	-	-	100,000,000	100.00
Religare FMP-Series -II Plan F (13 Months)-Growth	100,000,000	100.00	-	-	-	-	-	-	100,000,000	100.00
Religare FMP -Series II B (15 Months)-Growth	120,000,000	120.00	-	-	-	-	-	-	120,000,000	120.00
Religare FMP -Series II A (13 Months)-Growth	60,000,000	60.00	-	-	-	-	-	-	60,000,000	60.00
Religare FMP -Series -III Plan A (12 Months)-Growth	-	-	-	-	50,000,000	50.00	-	-	50,000,000	50.00
Religare FMP -Series -III Plan C (370 Days)-Dividend	-	-	-	-	50,000,000	50.00	-	-	50,000,000	50.00
Religare Liquid fund-Super Institutional fund-Daily Dividend reinvest option	-	-	-	-	49,967,067	50.01	49,967,067	50.01	-	-
SBI Premier Liquid Fund-Super Institutional-Daily Dividend Reinvest Option	-	-	-	-	73,902,961	74.14	-	-	73,902,961	74.14

Name of the fund	Balance as on 1st April, 2010		Acquired on amalgamation		Purchased during the year*		Redemption during the year		Balance as on 31st March, 2011	
	Units	Amount (₹ in crore)	Units	Amount (₹ in crore)	Units	Amount (₹ in crore)	Units	Amount (₹ in crore)	Units	Amount (₹ in crore)
SBI-Short Horizon Debt Fund-Ultra Short Term-Institutional plan-Daily Dividend Reinvest Option	-	-	-	-	673,179,847	673.58	673,179,847	673.58	-	-
SBI-Short horizon debt fund-Ultra Short Term-Institutional plan-Growth	69,809,352	83.72	-	-	98,965,620	126.69	69,809,352	83.72	98,965,620	126.69
SBI SDFS-13 months -Growth	150,000,000	150.00	-	-	-	-	150,000,000	150.00	-	-
SBI SDFS-370 Days -Growth	90,000,000	90.00	-	-	-	-	-	-	90,000,000	90.00
SBI SDFS-90 Days -37-Dividend Option	-	-	-	-	100,000,000	100.00	100,000,000	100.00	-	-
TATA Fixed Income Portfolio Fund Scheme A2- Institutional-Dividend	-	-	-	-	119,988,002	120.00	119,988,002	120.00	-	-
TATA Fixed Income Portfolio Fund Scheme A3- Institutional-Dividend	-	-	-	-	100,000,000	100.00	100,000,000	100.00	-	-
TATA Fixed Maturity plan-Series 26-Scheme A-Growth	20,000,000	20.00	-	-	-	-	-	-	20,000,000	20.00
TATA Floater Fund -Dividend	-	-	-	-	2,275,588,241	2,283.69	2,275,588,241	2,283.69	-	-
TATA Floater Fund -Growth	6,062,782	8.32	-	-	378,325,040	554.89	6,062,782	8.32	378,325,040	554.89
TATA Liquid Super High Investment Fund-Daily Dividend	-	-	-	-	14,224,420	1,585.34	14,224,420	1,585.34	-	-
UTI- Short term income fund-Institutional Income Option-Reinvestment	198,767,641	200.00	-	-	1,595,543	1.61	200,363,184	201.61	-	-
UTI-FIIF- Quarterly Interval Plan-Series I-Institutional-Dividend Option	-	-	-	-	99,986,002	100.00	99,986,002	100.00	-	-
UTI-Fixed Income Interval Fund-Monthly Interval Plan II-Dividend Option	-	-	-	-	99,968,010	100.00	25,000,000	25.01	74,968,010	74.99
UTI-Fixed Income Fund-QIP-Series V-Dividend Option	149,988,001	150.00	-	-	-	-	149,988,001	150.00	-	-
UTI-Fixed Income Interval Fund-Monthly Interval Plan I-Dividend Option	-	-	-	-	74,964,017	75.00	-	-	74,964,017	75.00
UTI-Fixed Maturity Plan-Yearly Series (YFMP 11/09)-Growth	50,000,000	50.00	-	-	-	-	50,000,000	50.00	-	-
UTI-Floating Rate fund-Short Term Plan-Institutional-Daily Dividend Reinvest Option	-	-	-	-	6,371,524	637.64	6,371,525	637.64	-	-
UTI-Floating Rate Fund-Short Term Plan-Institutional-Growth	-	-	-	-	3,956,487	437.64	-	-	3,956,487	437.64
UTI-Liquid Cash Plan-Daily dividend reinvest option	-	-	-	-	3,728,144	380.06	3,728,144	380.06	-	-
UTI-Treasury Advantage Fund-Institutional Plan-Daily Dividend Reinvest Option	-	-	-	-	5,832,831	583.41	5,832,831	583.41	-	-
UTI-Treasury Advantage Fund-Institutional Plan-Growth	-	-	-	-	189,722	25.05	-	-	189,722	25.05
Total	3,431,444,258	3,723.45	209,320,652	249.84	34,495,811,770	43,281.99	32,405,557,703	39,504.74	5,731,018,977	7,750.54
Previous year	2,426,713,737	2,977.73	-	-	13,225,098,109	15,018.29	12,220,367,587	14,272.57	3,431,444,258	3,723.45

* includes dividend reinvested

Notes Forming Part of the Accounts

For the Year Ended 31st March, 2011 (Continued)

Schedule 19: (continued)

14. Research and development expenditure of ₹0.29 crore (Previous year ₹0.29 crore) has been charged to Profit and Loss Account under specific heads of accounts, while ₹Nil (Previous year ₹Nil) has been incurred as capital cost for research and development.

15. Employee benefits obligations:

Defined benefit plans:

The Company offers its employees defined benefit plans in the form of gratuity schemes. Gratuity Scheme covers all employees as statutorily required under Payment of Gratuity Act, 1972. The Company has three gratuity schemes for different categories of employees. The Company contributes funds to Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited, which are irrevocable. Commitments are actuarially determined at the year end. The actuarial valuation is done based on the "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Profit and Loss Account under the head 'Personnel'.

The net value of the defined benefit commitment is detailed below:

(₹ in crore)

Particulars	2010-11	2009-10
Fair value of plans	28.81	22.45
Present value of commitment	(34.00)	(25.58)
Net gratuity liability	(5.19)	(3.13)
Defined benefit commitment		
Balance at start of the year	25.58	21.84
Acquired on amalgamation	4.01	-
Current service cost	1.73	1.26
Benefits paid	(3.15)	(1.99)
Interest cost	2.37	1.75
Actuarial (gains)/losses	3.46	2.72
Balance at end of year	34.00	25.58
Plan assets		
Balance at start of the year	22.45	17.61
Acquired on amalgamation	3.42	-
Contribution received	3.72	4.23
Benefits paid	(3.15)	(1.99)
Return on scheme assets	2.10	2.23
Actuarial gains/(losses)	0.27	0.37
Balance at end of year	28.81	22.45

The Plan assets of the Company are managed by the Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited and the composition of the Investment relating to these assets is not available with the Company.

(₹ in crore)

Return on plan assets	2010-11	2009-10
Expected return on plan assets	2.10	2.23
Actuarial gain/(loss)	0.27	0.37
Actual return on plan assets	2.37	2.60

Expenses on defined benefit plan recognised in the Profit and Loss Account

(₹ in crore)

Particulars	2010-11	2009-10
Current service cost	1.73	1.26
Actuarial (gains) / losses	3.19	2.35
Expected return on plan assets	(2.10)	(2.23)
Interest cost	2.37	1.75
Direct payments	0.03	-
Total expenses / (income) accounted in the Profit and Loss Account	5.22	3.13

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions which if changed, would affect the defined benefit commitments size, funding requirements.

Particulars	2010-11	2009-10
Rate on discounting liabilities	8%	8%
Expected salary increase rate	5% & 7%	5% & 7%
Expected rate of return on scheme assets	10% & 9.3%	9% & 9.3%
Withdrawal rates	1.5%	1.5%
Mortality rates	LIC (1994-96) Ultimate Table	LIC (1994-96) Ultimate Table

The estimates of future salary increases considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Experience adjustment

(₹ in crore)

Particulars	2010-11	2009-10	2008-09	2007-08
Present value of commitment	(34.00)	(25.58)	(21.84)	(18.18)
Fair value of the plans	28.81	22.45	17.61	17.00
Surplus / (deficit)	(5.19)	(3.13)	(4.23)	(1.18)
Experience adjustment on plan liabilities	3.28	0.60	2.88	1.11
Experience adjustment on plan assets	(1.92)	2.99	(0.04)	1.73

The contributions expected to be made by the Company during the financial year 2011-12 are ₹5.19 crore.

The above information is actuarially determined.

Defined Contribution Plans:

The Company offers its employees benefits under defined contribution plans in the form of provident fund, family pension fund and annuity fund. Provident fund, family pension fund and annuity fund cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary type arrangements. While both the employees and the Company pay predetermined contributions into the provident fund and pension fund, the contribution to annuity fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

Notes Forming Part of the Accounts

For the Year Ended 31st March, 2011 (Continued)

Schedule 19: (continued)

A sum of ₹8.31 crore (Previous year ₹5.64 crore) has been charged to the Profit and Loss Account in this respect, the components of which are tabulated below:

(₹ in crore)

Contribution to defined contribution plans	2010-11	2009-10
Provident fund and family pension fund	5.59	3.72
Annuity fund	2.72	1.92
	8.31	5.64

16. i) Quantitative Information in respect of Iron Ore, Metallurgical Coke and Pig Iron:

Particulars	Iron Ore		Metallurgical Coke		Pig Iron	
	Quantity	Value	Quantity	Value	Quantity	Value
	(MMT)	(₹ in Crore)	(MMT)	(₹ in Crore)	(MMT)	(₹ in Crore)
Installed capacity	-	-	0.280	N.A.	0.250	N.A.
	-	-	(0.280)	N.A.	(0.250)	N.A.
Opening stock as on 1.4.2010	4.087	263.65	0.009	10.66	-	-
	(2.536)	(131.78)	(0.011)	(11.67)	(-)	(-)
Acquired on amalgamation	-	-	-	-	0.006	12.38
	(-)	(-)	(-)	(-)	(-)	(-)
Production (Footnote 1)	10.952	805.63	0.263	382.80	0.276	527.53
	(11.543)	(395.02)	(0.263)	(339.08)	(-)	(-)
Purchases (Footnote 1)	4.029	518.81	-	-	-	-
	(5.185)	(298.80)	(-)	(-)	(-)	(-)
Captive consumption	0.312	99.44	0.171	330.41	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Sales	14.368	6,636.43	0.080	141.40	0.266	663.74
	(15.177)	(4,238.28)	(0.265)	(356.50)	(-)	(-)
Closing stock as on 31.3.2011	4.388	226.52	0.021	35.14	0.016	38.58
	(4.087)	(263.65)	(0.009)	(10.66)	(-)	(-)

Footnotes:

1. Net of processing and handling loss on ore handled and processed/reprocessed during the year.
2. The closing stock of ore excludes 0.053 million metric ton (Previous year 0.081 million metric ton) received on loan basis.
3. Figures in brackets relate to previous year.
4. Quantities are in dry metric tons (DMT).
5. Hitherto, the quantities were stated in wet metric tons (WMT); accordingly the quantities in respect of previous year have been restated in DMT to conform to current year's measurement.

ii) Consumption of Raw Materials:

Particulars	Quantity (MMT)	Value (₹ in Crore)
Coal	0.340	355.23
	(0.338)	(306.47)
Coal tar pitch	-	-
	(-)	(0.06)
Iron Ore (Foot Note 1)	0.107	35.46
	(-)	(-)
Others	-	6.66
	(-)	(-)
Total		397.35
		(306.53)

Footnotes:

1. Excludes 0.312 million metric ton of Iron Ore used for captive consumption.
2. Figures in brackets relate to previous year.
3. Quantities are in dry metric tons (DMT).
4. Hitherto, the quantities were stated in wet metric tons (WMT); accordingly the quantities in respect of previous year have been restated in DMT to conform to current year's measurement.

iii) Services rendered to third parties towards repair of barges and machinery etc. amount to ₹13.04 crore (Previous year ₹23.76 crore)

17. Donations and contributions include payment to the following political parties:

(₹ in crore)

Particulars	2010-11	2009-10
Bhartiya Janata Party	-	0.85
Bhartiya Janata Party (Jharkhand Pradesh)	-	0.10
Jharkhand Vikas Morcha	-	0.10
Goa Pradesh Congress Committee	-	0.30
Maharashtrawadi Gomantak Party	-	0.02
Shiv Sena	-	0.01

18. CIF Value of Imports and Consumption of spares

(₹ in crore)

Particulars	2010-11	2009-10
i) Value of imports on CIF basis in respect of		
a) Raw materials	509.70	343.78
b) Components and spare parts	17.21	14.11
c) Capital goods	111.17	9.82
ii) Consumption of imported raw materials, stores, spares parts and components 57.59% (Previous year 61.06%)	369.66	314.58
iii) Consumption of indigenous raw materials, stores, spares parts and components 42.41% (Previous year 38.94%)	272.27	200.66

Notes Forming Part of the Accounts

For the Year Ended 31st March, 2011 (Continued)

Schedule 19: (continued)

19. Segment Information

As required by Accounting Standard No. 17 on Segment Reporting

i) **The Company is collectively organised into three main business segments namely:**

- Iron Ore
- Metallurgical coke
- Pig iron

Segments have been identified and reported taking into account the nature of the product and services, the organisation structure and internal financial reporting system.

ii) **Information based on the Primary Segment (Business Segment)** (₹ in crore)

Particulars	Iron Ore	Metallurgical Coke	Pig Iron	Unallocated	Total
Revenue					
- Sales / Income from Operations	6,789.43	506.37	673.81		7,969.61
(net of duties and ocean frieght)	(4,275.98)	(384.35)	(-)		(4,660.33)
- Other Income	2.67	0.14	0.39		3.20
	(3.08)	(0.17)	(-)		(3.25)
	6,792.10	506.51	674.20		7,972.81
	(4,279.06)	(384.52)	(-)		(4,663.58)
Less : Intersegment Revenue	104.50	354.78	0.04		459.32
	(-)	(-)	(-)		(-)
Net Revenue from operations	6,687.60	151.73	674.16		7,513.49
	(4,279.06)	(384.52)	(-)		(4,663.58)
Add : Interest Income				173.01	173.01
				(142.38)	(142.38)
Add : Dividend				259.92	259.92
				(66.70)	(66.70)
Add : Foreign Exchange Gain on Foreign				-	-
Currency Convertible Bonds				(121.91)	(121.91)
Add : Profit on sale of Investment				61.86	61.86
				(75.21)	(75.21)
Enterprise revenue					8,008.28
					(5,069.78)
Segment Result before tax, interest,dividend and	3,746.63	89.01	141.08		3,976.72
other non-recurring/unallocable income	(2,275.88)	(26.78)	(-)		(2,302.66)
Less: Interest Expenses				36.93	36.93
				(50.77)	(50.77)
Less: Foreign Exchange Loss on Foreign				48.78	48.78
Currency Convertible Bonds				(-)	(-)
Add : Interest Income				173.01	173.01
				(142.38)	(142.38)
Add : Dividend Income				259.92	259.92
				(66.70)	(66.70)
Add : Foreign Exchange Gain on Foreign				-	-
Currency Convertible Bonds				(121.91)	(121.91)
Add : Profit on sale of Investment				61.86	61.86
				(75.21)	(75.21)
Profit before Taxation					4,385.80
					(2,658.09)
Segment Assets	2,350.62	384.65	279.36	11,188.52	14,203.15
	(1,190.67)	(254.48)	-	(8,828.64)	(10,273.79)
Segment Liabilities	771.79	358.42	53.38	1,430.75	2,614.34
	(557.95)	(168.01)	-	(2,339.12)	(3,065.08)
Capital Expenditure	815.15	3.79	18.35	-	837.29
	(128.17)	(3.42)	(-)	(-)	(131.59)
Depreciation	51.68	23.15	8.30	-	83.13
	(48.07)	(9.31)	(-)	(-)	(57.38)
Significant Non-Cash Expenses other than	0.12	0.07	-	48.78	48.97
depreciation	(0.50)	(9.03)	(-)	(-)	(9.53)

(Figures in bracket relate to previous year)

iii) Information based on the Secondary Segment (Geographical Segments):

(₹ in crore)

Particulars	2010-11	2009-10
Segment revenue:		
India	1,250.12	632.59
Outside India	6,263.37	4,030.99
Segment assets:		
India	2,617.28	1,222.20
Outside India	397.35	222.95
Capital expenditure:		
India	837.29	131.59
Outside India	-	-

20. i) Managerial remuneration

(₹ in crore)

Particulars	2010-11	2009-10
Salaries	2.45	2.35
Provident fund	0.16	0.15
Gratuity fund	0.65	0.61
Annuity fund	0.20	0.18
Perquisites	0.65	0.93
Sitting fees	0.07	0.03
Commission [Including ₹0.42 crore (Previous year ₹0.28 crore) payable to non-whole time directors]	1.16	0.84
Total	5.34	5.09

ii) Computation of net profit under Section 309(5) read with Section 349 of the Companies Act, 1956.

(₹ in crore)

Particulars	2010-11	2009-10
Profit before taxes	4,385.80	2,658.09
Less: Profit on redemption/sale of investments	61.86	75.21
Profit per Section 349	4,323.94	2,582.88
Add: Directors' remuneration	5.34	5.09
Profit under Section 198	4,329.28	2,587.97
Commission payable to whole time directors @ 1% of net profit restricted to	0.74	0.56
Commission to non-whole time directors @ 1% of net profit restricted to	0.42	0.28

21. Foreign Currency Exposures:

The year end foreign currency exposures that were not hedged by a derivative instrument or otherwise are given below.

i) Amount receivable in foreign currency on account of the following:

Particulars	2010-11		2009-10	
	₹ in Crore	Fx million	₹ in Crore	Fx million
Export of goods and services & Advance to Vendors	396.93	USD 88.86 JPY 2.07 GBP 0.01	218.13	USD 48.3
Bank balance	0.09	CNY 0.12 USD 0.0014	0.16	CNY 0.12 USD 0.02

Notes Forming Part of the Accounts

For the Year Ended 31st March, 2011 (Continued)

Schedule 19: (continued)

ii) Amount payable in foreign currency on account of the following:

Particulars	2010-11		2009-10	
	₹ (in Crore)	Fx million	₹ (in Crore)	Fx million
Import of goods and services	470.39	USD 105.09	254.76	USD 56.4
		JPY 4.23		JPY 5.2
		EURO 0.15		
Foreign Currency Convertible Bonds and Interest there on	988.31	USD 221.35	1,956.91	USD 433.5

Note: Fx = Foreign currency; USD = US Dollar; JPY = Japanese Yen; GBP = Great Britain Pound; CNY = Chinese Yuan

22. Expenditure incurred in foreign currency (including difference in rate of exchange):

(₹ in crore)

Particulars	2010-11	2009-10
Analysis of ore	3.86	5.84
Travelling expenses	0.47	0.35
Demurrage	162.45	99.36
Books and periodicals	0.27	0.07
Ocean freight	738.49	670.90
Commission and service charges on sales	0.12	4.63
Insurance	3.35	3.16
Repairs & maintenance – Plant & machinery	5.25	5.36
Port disbursement	0.39	0.58
Salaries & Wages including LTIP	6.17	5.34
China office expenses	1.44	1.16
Interest on Foreign Currency Convertible Bonds	20.57	40.72
Others	13.72	21.37

23. Earnings in foreign currency (including difference in rate of exchange):

(₹ in crore)

Particulars	2010-11	2009-10
On exports of iron ore, met coke and pig iron on FOB basis	6,258.93	4,027.77
Despatch money	17.74	8.73
Carbon credit	4.44	-

24. Remittance of dividends in foreign currency:

Dividend for the year	2010-11	2009-10
Number of Non-resident shareholders	3	2
Number of shares held (in crore)	47.91	41.80
Amount remitted (₹ in crore)	155.71	94.05

25. Earnings per share:

Particulars	2010-11	2009-10
Net profit after tax (₹in crore)	3,432.80	2,118.09
Weighted average no. of equity shares	858,713,539	811,125,264
Nominal value of each equity shares	₹1	₹1
Basic earnings per share (in ₹)	39.98	26.11
Add: Expenses/ (income) to the Profit and Loss Account on account of Foreign Currency Convertible Bonds (net of tax)	59.81	(61.06)
Profit after tax for diluted earning per share	3,492.61	2,057.03
Weighted average number of shares for basic EPS	858,713,539	811,125,264
Add: Effect of potential equity shares on conversion of Foreign Currency Convertible Bonds	30,000,000	1,716,276
Weighted average number of shares for diluted earning per share	888,713,539	812,841,540
Diluted earning per share (in ₹)	39.30	25.31

26. Related party information:

Related party information as required by AS 18 is given below:

A. Names of the related parties and their relationships:

i) Holding Companies:

- Finsider International Company Limited	Holding Company
- Richter Holding Limited - Westglobe Limited	Holding Companies of Finsider International Company Limited
- Vedanta Resources Plc	Ultimate Holding Company

ii) Subsidiaries of the Company:

- Sesa Industries Limited (amalgamated during the year, Refer Note No. 2)
- Sesa Resources Limited (formerly V. S. Dempo & Co. Limited)
- Sesa Mining Corporation Limited (formerly Dempo Mining Corporation Limited)

iii) Fellow Subsidiaries:

With whom transactions have taken place during the year

- Bharat Aluminium Company Limited
- Hindustan Zinc Limited
- Konkola Copper Mines
- The Madras Aluminium Company Limited
- Sterlite Industries (India) Limited
- Sterlite Iron and Steel Company Limited
- Sterlite Technologies Limited
- Twin Star Holdings Limited
- Vedanta Aluminium Limited
- Vizag General Berth Cargo Private Limited

iv) Jointly Controlled Entity:

- Goa Maritime Private Limited

Notes Forming Part of the Accounts
For the Year Ended 31st March, 2011 (Continued)

Schedule 19: (continued)

v) Details of Key Management Personnel

Executive directors

- Mr. P. K. Mukherjee
- Mr. A. K. Rai
- Mr. A. Pradhan
- Mr. H. P. U. K. Nair (Retired on 01.10.2009)
- Mr. M. D. Phal (Retired on 30.04.2009)

vi) Enterprise in which significant influence is exercised by Key Management Personnel

- Sesa Community Development Foundation

B. Transactions with related parties:

a) Details relating to parties referred to in items A (i), (ii) and (iii) above:

(₹ in crore)

Name of Related Party	Nature of Transaction	Holding Companies	Subsidiaries	Fellow Subsidiaries
1) Sales & Services				
Bharat Aluminium Company Limited	Services rendered	- (-)	- (-)	0.001 (-)
Hindustan Zinc Limited	Sales of metallurgical coke and services rendered	- (-)	- (-)	0.74 (1.08)
Konkola Copper Mines	Services rendered	- (-)	- (-)	0.07 (-)
Madras Aluminium Company Limited	Services rendered	- (-)	- (-)	0.03 (-)
Sterlite Industries (I) Limited	Sales of Pig Iron and services rendered	- (-)	- (-)	7.08 (-)
Sesa Industries Limited	Sales of metallurgical coke and services rendered	- (-)	- (323.54)	- (-)
Sterlite Iron and Steel Company Limited	Interest on Intercorporate deposits	- (-)	- (-)	0.90 (-)
Sesa Mining Corporation Limited	Services rendered	- (-)	0.08 (0.23)	- (-)
Sesa Resources Limited	Sales of ore and services rendered	- (-)	33.97 (11.32)	- (-)
Vedanta Aluminum Limited	Interest on Intercorporate deposits	- (-)	- (-)	90.14 (95.21)
Vizag General Berth Cargo Pvt. Limited	Services rendered	- (-)	- (-)	0.04 (-)
2) Purchase & Other services				
Bharat Aluminium Co. Limited	Administration expenses	- (-)	- (-)	0.01 (-)
Finsider International Co. Limited	Dividend remittance	130.49 (90.34)	- (-)	- (-)
Hindustan Zinc Limited	Administration expenses	- (-)	- (-)	0.48 (0.08)
The Madras Aluminium Co. Limited	Administration expenses	- (-)	- (-)	0.003 (-)

Name of Related Party	Nature of Transaction	Holding Companies	Subsidiaries	Fellow Subsidiaries
Sterlite Industries Limited	Administration expenses	- (-)	- (-)	11.02 (9.75)
Sesa Industries Limited	Purchases of ore	- (-)	- (37.01)	- (-)
Sterlite Technologies Limited	Administration expenses	- (-)	- (-)	0.02 (0.14)
Sesa Mining Corporation Limited	Purchases of ore and other services	- (-)	25.21 (-)	- (-)
Sesa Resources Limited	Purchases of ore and other services	- (-)	49.92 (26.90)	- (-)
Talwandi Sabo Power Limited	Administration expenses	- (-)	- (-)	- (0.03)
Twin Star Holdings Limited	Dividend remittance	10.81 (-)	- (-)	- (-)
Vedanta Resources Plc.	Administration expenses	5.86 (5.34)	- (-)	- (-)
Vedanta Aluminium Limited	Administration expenses	- (-)	- (-)	2.56 (1.25)
West Globe Limited	Dividend remittance	14.41 (3.72)	- (-)	- (-)
3) Inter Corporate Deposits				
Sterlite Iron & Steel Company Limited		- (-)	- (-)	26.71 (-)
Vedanta Aluminium Limited		- (-)	- (-)	1,000.00 (1,000.00)
4) Preferential allotment of equity shares				
Twin Star Holdings Limited		- (-)	- (-)	- (537.24)
5) Bad Debts Written Off		- (-)	- (-)	- (-)
6) Outstanding receivables/payables (-)				
Hindustan Zinc Limited		- (-)	- (-)	- (-0.04)
Sterlite Industries (I) Limited		- (-)	- (-)	-1.09 (-0.96)
Sterlite Iron and Steel Company Limited		- (-)	- (-)	0.90 (-)
Sesa Resources Limited		- (-)	9.68 (- 13.78)	- (-)
Sesa Mining Corporation Limited		- (-)	-4.06 (0.05)	- (-)
Sterlite Technologies Limited		- (-)	- (-)	- (-0.01)
Vedanta Aluminium Limited		- (-)	- (-)	-0.52 (-0.64)
Vedanta Resources Plc.		-7.46 (-6.45)	- (-)	- (-)

(Figures in brackets relate to previous year.)

Notes Forming Part of the Accounts

For the Year Ended 31st March, 2011 (Continued)

Schedule 19: (continued)

b) Details relating to persons referred to in item A (v) above:

(₹ in crore)

Remuneration (Executive Directors)	2010-11	2009-10
Mr. P. K. Mukherjee	2.41	1.73
Mr. A. K. Rai	1.29	1.10
Mr. A. Pradhan	1.00	0.86
Mr. H. P. U .K. Nair (Retired on 01.10.2009)	0.15	0.76
Mr. M. D. Phal (Retired on 30.04.2009)	-	0.34
	4.85	4.79

Sale of Assets	2010-11	2009-10
Mr. H. P. U .K. Nair	-	0.04

Outstanding receivables/(payables)	2010-11	2009-10
Mr. P. K. Mukherjee	(0.74)	(0.56)

c) Details relating to persons referred to in item A (vi) above.

(₹ in crore)

Particulars	2010-11	2009-10
Donation	3.29	3.53
Recovery – rent and electricity charges	-	0.02

d) Additional information required as per the Listing Agreement:

(₹ in crore)

Particulars	2010-11		2009-10	
	Outstanding as at 31st March, 2011	Maximum amount outstanding during the year	Outstanding as at 31st March, 2010	Maximum amount outstanding during the year
Inter-corporate deposits – Dues from fellow subsidiary				
Vedanta Aluminium Limited	1,000.00*	1,000.00	1,000.00	1,000.00
Sterlite Iron and Steel Company Limited	26.71**	27.61	-	-

* Inter-corporate deposits have been placed at an interest rate of 8% from April 2010 to September 2010, 9% from October 2010 to December 2010 and 11% p.a. from January 2011 to March 2011 and are secured against a corporate guarantee from Vedanta Resources Plc., the ultimate holding company. As no cash and cash equivalents were involved in the roll-over of this Inter-corporate deposit, the same has been excluded from the Cash Flow Statement.

** Inter-corporate deposits have been placed at an interest rate of 8%.

27. The ultimate holding company viz, Vedanta Resources Plc, ("Vedanta") offers equity-based award plans to its employees, officers and directors based on the performance conditions as set out in the scheme, duly approved by the board of directors and by the shareholders of Vedanta on 24th December, 2003 and 20th January, 2004 respectively. The performance condition attached to outstanding awards under the Long Term Incentive Plan (LTIP) is that of Vedanta's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three year period or such period as the Board of Vedanta may determine with the performance of the companies as defined in the scheme from the date of grant. Under this scheme, initial awards under the LTIP were granted in February 2004 with further awards being made in June 2004, November 2004, February 2006, November 2007, February 2009, August 2009 and January 2010.

The fair values were calculated using a Monte Carlo model with suitable modifications to allow for the specific performance conditions of the LTIP. The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends and the risk free rate of interest. A progressive dividend growth policy is assumed in all fair value calculations. Expected volatility has been calculated using historical share prices over the period to date of grant that is commensurate with the performance period of the option. The share prices of the mining companies in the Adapted Comparator Group have been modelled based on historical price movements over the period to date of grant which is also commensurate with the performance period for the option. The history of share prices is used to determine the volatility and correlation of share prices for the companies in the Adapted Comparator Group and is needed for the Monte Carlo simulation of their future TSR performance relative to the Company's TSR performance. All options are assumed to be exercised six weeks after vesting.

The awards are indexed to and settled in Vedanta shares. The awards provide for a fixed exercise price denominated in Vedanta's functional currency at 10 US cents per share. Vedanta is obligated to issue the shares. On the grant date, fair value of the awards is recovered by Vedanta from the Company to the extent the awardees have been deployed at the Company.

Accordingly, Vedanta, on the basis of fair value of options granted to such employees charged a proportionate cost to the Company in the amount of ₹ 5.86 crore (Previous year ₹ 5.34 crore) which is charged to the Profit and Loss Account under the head "Salaries, Wages, bonus and allowances" in Schedule 16 to the financial statements.

Vedanta has obtained an overall valuation of the options granted by it to the awardees. Information related to options granted to the eligible resources deployed at the Company is not readily available and accordingly the movements in options have not been disclosed.

28. "Other current assets" comprise interest accrued on term deposits.

29. Previous year's figures have been regrouped and rearranged wherever necessary to conform to current year's classification.

For and on behalf of the Board of Directors

P.K. Mukherjee	A.K. Rai	C.D. Chitnis
Managing Director	Director	Company Secretary

Place: Panaji - Goa
Dated: 25th April, 2011

Balance Sheet Abstract and Company's General Business Profile

I)	**Registration Details:**	
	Registration No.	44/G
	State Code	24
	Balance Sheet Date	31.3.2011
II)	**Capital Rose during the year:**	**(₹ in crore)**
	Public Issue	NIL
	Rights Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL
III)	**Position of Mobilisation & Deployment of Funds:**	**(₹ in crore)**
	Total Liabilities	12,623.23
	Total Assets	12,623.23
	Sources of Funds:	
	Paid-up Capital	86.91
	Reserves & Surplus	11,501.90
	Secured Loans	3.31
	Unsecured Loans	968.01
	Deferred Tax liability	63.10
	Application of Funds:	
	Net Fixed Assets	1,414.02
	Investments	9,463.81
	Net Current Assets	1,745.40
	Accumulated Losses	NIL
IV)	**Performance of Company:**	**(₹ in crore)**
	Turnover	8,008.28
	Total Expenditure	3,622.48
	Profit before Tax	4,385.80
	Profit after Tax	3,432.80
	Basic Earning Per Share (in ₹)	39.98
	Diluted Earning Per Share (in ₹)	39.30
	Dividend rate (%)	350.00

V) **Generic Names of Principal Products/Services of Company (As per monetary terms)**

Item Code No. (ITC Code)	26011100	89011004	27040009	72011000
Product Description	Iron Ore	Vessels	Metallurgical Coke	Low Phosphorous Foundry Grade Pig Iron

For and on behalf of the Board of Directors

P.K. Mukherjee	**A.K. Rai**	**C.D. Chitnis**
Managing Director	Director	Company Secretary

Place: Panaji - Goa
Dated: 25th April, 2011

Sesa Goa Limited Ten Year Record

(₹ in crore, except as stated)

Year ending 31st March	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fixed Assets	174.15	183.67	194.74	287.45	329.05	398.85	413.94	506.19	580.16	1,414.02
Investments	68.59	58.98	66.95	345.96	516.16	867.81	2,000.44	3,019.68	5,478.64	9,463.81
Net Current Assets	188.80	169.09	162.92	156.40	296.54	291.80	430.25	1,046.35	3,134.91	1,745.40
Total Capital Employed	371.19	355.55	379.27	734.32	1,084.13	1,506.36	2,791.13	4,517.78	9,124.90	12,556.82
Shareholder's Equity	231.93	238.93	315.51	724.25	1,084.13	1,506.36	2,791.13	4,517.78	7,208.71	11,588.81
Sales & Other Income	270.31	362.78	573.21	1,423.84	1,734.76	2,049.44	3,672.41	4,996.23	5,069.78	8,008.28
Profit Before Tax	23.29	17.99	142.78	687.42	807.08	899.85	2,236.94	2,630.70	2,658.09	4,385.80
Tax for the year	7.70	5.40	44.00	225.04	267.68	293.44	744.94	688.21	540.00	953.00
Profit After Tax	15.59	12.58	98.78	462.37	539.40	606.41	1,492.00	1,942.49	2,118.09	3,432.80
Dividends/Dividend Tax	5.90	5.55	22.20	100.93	179.53	182.45	207.23	207.23	315.96	376.26
Retained Earnings	9.69	7.03	76.58	361.44	359.87	423.96	1,284.77	1,735.26	1,802.13	3,056.54
Earnings Per Share (in ₹)	7.92	6.39	50.19	117.47	137.04	154.06	379.06	24.68*	26.11*	39.98*
Dividends %	30.00	25.00	100.00	225.00	400.00	400.00	450.00	225.00	325.00	350.00
No. of Shareholders	37,479	30,460	29,948	61,313	43,418	43,032	90,875	170,222	213,086	267,818

Notes :

1. Figures for the previous years have been regrouped wherever necessary to make them comparable to those of the current year. Current years figures are subject to approval of shareholders at Annual General Meeting including dividend proposed.
2. Number of shareholders shown is as on the date of Annual General Meeting of the relevant years except for the year 2011.
3. The dividend % for year ending 31st March, 2005 is the effective rate on post bonus share capital (Bonus Issue @ 1:1 after interim dividend paid @ 50%).
4. During the financial 2008-09, shares were sub-divided from face value of ₹ 10/- to face value of ₹ 1/- and bonus shares in ratio of 1:1 were issued. The Dividend for 2008-09, 2009-10 and 2010-11 is post split and bonus.
5. * EPS on nominal value of ₹ 1/-.

Statement Pursuant to Section 212 of the Companies Act, 1956
Relating to Subsidiary Companies (₹ in Crore except as stated)

Sr. No.	Particulars			Sesa Resources Limited	Sesa Mining Corporation Limited
1.	Financial years of the Subsidiary Company ended on			31st March, 2011	31st March, 2011
2.	Shares of the Subsidiary Company held on the abovedate and extent of holding				
	a)	Equity Shares		1,250,000	1,150,000
	b)	Extent of Holding		100%	100%
3.	The net aggregate amount of the Subsidiaries profit/(loss) so far as it is concerned with the members of the Sesa Goa Limited				
	i)	Not dealt within the holding company's accounts			(Refer Note No.1)
		a)	For the financial year of the Subsidiary	775.60	14.05
		b)	For the previous financial years of the Subsidiary/since it became the Holding company's subsidiary	1,196.17	25.44
	ii)	Dealt within the holding company's accounts			
		a)	For the financial year of the Subsidiary	Nil	Nil
		b)	For the previous financial years of the Subsidiary/since it became the Holding company's subsidiary	Nil	Nil
4.	Material changes, if any between the end of the financial year of the subsidiary company and that of the Holding Comapny			NA	NA
5.	Additional information on Subsidiary Companies				
	Share Capital			1.25	11.50
	Reserves			1,415.98	112.74
	Total Assets			1,451.52	124.24
	Total Liabilities			1,451.52	124.24
	Investment(except incase of investment in subsidiaries)			1,037.09	12.12
	Turnover			1,815.41	180.47
	Profit before Taxation			1,152.84	21.05
	Provision for Taxation			377.24	7.00
	Profit after Taxation and write back			775.60	14.05
	Proposed Dividend (including Dividend Distribution Tax thereon)			-	-

Notes:

1. Your Company had two subsidiary companies as on 31st March, 2011.
2. Sesa Mining Corporation Limited is a subsidiary of Sesa Resources Limited, which is 100% subsidiary of the Company.
3. The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.
4. The Annual Accounts for 2010-11 for all subsidiaries are available at Company's Registered Office. Any investor either of Holding Company or any Subsidiary Company can seek any information at any point of time by making a request in writing to the Company Secretary of the Company at Sesa Goa Limited, Sesa Ghor, 20 EDC Complex, Patto, Panaji-Goa 403 001 to obtain a copy of the financial statements of the subsidiary companies. The Subsidiaries Accounts will also be available on the Website of the Company www.sesagoa.com.
5. The consolidated financial statements, in terms of Clause 32 of the Listing Agreement and in terms of Accounting Standards 21 as prescribed by Companies (Accounting Standards) Rules, 2006 issued by Ministry of Corporate Affairs vide notification no. G.S.R. 739 (E) dated 7th December, 2006 also form part of this Annual Report.

Auditors' Report

To the Board of Directors of Sesa Goa Limited

1. We have audited the attached Consolidated Balance Sheet of SESA GOA LIMITED ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.

4. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company and its subsidiaries and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;

   (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on 31st March, 2011; and

   (iii) in the case of the Consolidated Cash Flows Statements, of the cash flows of the Group for the year ended on 31st March, 2011.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

Rajesh K. Hiranandani
Partner
(Membership No. 36920)

Place: Panaji - Goa
Dated: 25th April, 2011

Consolidated Balance Sheet of Sesa Goa Limited and it's Subsidiary Companies

As at 31st March, 2011

Particulars	Sch. No.	As at 31st March, 2011 ₹ in crore	As at 31st March, 2011 ₹ in crore	As at 31st March, 2010 ₹ in crore	As at 31st March, 2010 ₹ in crore
SOURCES OF FUNDS					
Shareholders' funds					
Share capital	1	86.91		83.10	
Reserves and surplus	2	12,723.52		7,834.61	
			12,810.43		7,917.71
Minority interest			-		43.29
Loans funds					
Secured loans	3	31.44		44.37	
Unsecured loans	4	968.01		1,916.19	
			999.45		1,960.56
Deferred tax liability (net)	5		68.21		75.02
Total			13,878.09		9,996.58
APPLICATION OF FUNDS					
Fixed assets	6				
Gross block		3,064.83		2,751.04	
Less : Depreciation		649.19		574.08	
Net block		2,415.64		2,176.96	
Capital work-in-progress		728.66		78.74	
			3,144.30		2,255.70
Investments	7		8,799.80		4,564.85
Current assets, loans and advances					
Inventories	8	743.75		502.54	
Sundry debtors	9	683.02		338.12	
Cash and bank balances	10	897.02		2,391.84	
Other current assets		14.14		39.60	
Loans and advances	11	1,321.65		1,145.52	
		3,659.58		4,417.62	
Less: Current liabilities and provisions					
Current liabilities	12	1,294.64		830.18	
Provisions	13	430.95		411.41	
		1,725.59		1,241.59	
Net Current Assets			1,933.99		3,176.03
Total			13,878.09		9,996.58
Notes to accounts	19				

Per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Rajesh K. Hiranandani
Partner

P.K. Mukherjee
Managing Director

A.K. Rai
Director

C.D. Chitnis
Company Secretary

Place: Panaji - Goa
Dated: 25th April, 2011

Place: Panaji - Goa
Dated: 25th April, 2011

Consolidated Profit and Loss Account of Sesa Goa Limited and its Subsidiary Companies

For the Year Ended 31st March, 2011

Particulars	Sch. No.	Year ended 31st March, 2011 ₹ in crore	₹ in crore	Year ended 31st March, 2010 ₹ in crore	₹ in crore
INCOME					
Sales of ore/ pig iron/ metallurgical coke		10,150.91		6,654.30	
Less: Excise duty		63.65		44.34	
		10,087.26		6,609.96	
Less: Ocean freight		943.16		812.16	
		9,144.10		5,797.80	
Hire of ship and transhipper		1.37		5.25	
Services and other proceeds	14	59.65		55.24	
Miscellaneous income	15	539.89		425.97	
			9,745.01		6,284.26
EXPENDITURE					
Production and operational expenses	16	3,866.21		2,615.86	
Administration expenses	17	132.59		93.80	
Interest and other finance charges	18	90.14		55.51	
Depreciation		96.38		74.50	
			4,185.32		2,839.67
Profit before tax			5,559.69		3,444.59
Less: Provision for taxation					
Current tax		1,344.22		799.92	
Prior year taxes		(0.17)		1.24	
Deferred tax		(6.81)		4.39	
			1,337.24		805.55
Profit after taxes			4,222.45		2,639.04
Less: Minority interest			-		9.91
Profit attributable to equity shareholders			4,222.45		2,629.13
Add: Balance brought forward			966.70		253.53
Add: Profit for the period 1st April, 2005 to 31st March, 2010 on acquisition of minority interest and other adjustments (Refer Note No. 2 of Schedule 19)			38.77		-
			5,227.92		2,882.66
APPROPRIATIONS					
Proposed dividend		304.18		270.06	
Dividend Tax		49.35		45.90	
Dividend for 2009-10 in respect of Foreign Currency Convertible Bonds converted during the year (inclusive of dividend tax of ₹0.51 crore)		9.85		-	
Dividend to shareholders of erstwhile Sesa Industries Limited on amalgamation (inclusive of dividend tax of ₹1.83 crore)		12.88		-	
General reserve		2,500.00		1,600.00	
			2,876.26		1,915.96
Surplus carried to reserves and surplus			2,351.66		966.70
Earnings per share - Basic (Refer Note No. 15 of Schedule 19)			49.17		32.41
- Diluted (Refer Note No. 15 of Schedule 19)			48.17		31.62
Nominal value per share			1.00		1.00
Notes to accounts	19				

Per our report of even date attached

For Deloitte Haskins & Sells	For and on behalf of the Board of Directors		
Chartered Accountants			
Rajesh K. Hiranandani	**P.K. Mukherjee**	**A.K. Rai**	**C.D. Chitnis**
Partner	Managing Director	Director	Company Secretary
Place: Panaji - Goa	Place: Panaji - Goa		
Dated: 25th April, 2011	Dated: 25th April, 2011		

Consolidated Cash Flow Statement
For the year ended 31st March, 2011

Particulars	Year ended 31st March, 2011 ₹ in crore	Year ended 31st March, 2010 ₹ in crore
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax	5,559.69	3,444.59
Adjustments for:		
Depreciation	96.38	74.50
Interest / dividend (net)	(432.29)	(170.13)
(Profit) / loss on sale of fixed assets (net)	(0.86)	(0.18)
(Profit) / loss on redemption of mutual fund investments (net)	(62.16)	(75.30)
Provision for doubtful debts	0.07	0.02
Provision for doubtful debts written back	-	(0.03)
Provision for doubtful advances	0.12	0.50
Provision for claim under litigation	-	9.03
Assets written off	-	0.09
Unrealised exchange (gain) / loss	44.01	(126.54)
Operating profit before working capital changes	5,204.96	3,156.55
Adjustments for:		
Trade and other receivables	(443.93)	(39.41)
Inventories	(235.43)	(160.96)
Trade payables	375.64	379.49
Cash generated from operations	4,901.24	3,335.67
Taxes paid	(1,367.76)	(764.35)
NET CASH FROM OPERATING ACTIVITIES	3,533.48	2,571.32
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(988.69)	(149.52)
Proceeds from sale of fixed assets	4.55	0.57
Acquisition of subsidiaries	-	(1,713.24)
(Purchase) / redemption of current investments	(4,130.86)	(1,364.30)
Bank deposits having original maturity over three months	1,654.41	(2,350.01)
Interest received	198.82	103.38
Dividend received	297.05	79.00
NET CASH USED IN INVESTING ACTIVITIES	(2,964.72)	(5,394.12)

Particulars	Year ended 31st March, 2011 ₹ in crore	Year ended 31st March, 2010 ₹ in crore
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Issue of equity shares	-	537.24
Issue of Foreign Currency Convertible Bonds	-	2,380.58
Inter Corporate Deposits	(26.71)	-
Loans repaid	(6.63)	(23.02)
Interest paid	(58.25)	(6.25)
Dividend paid and dividend tax	(328.14)	(206.44)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	(419.73)	2,682.11
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	149.03	(140.69)
Cash and cash equivalents - opening balance	33.69	14.07
- on acquisition	-	160.31
Cash and cash equivalents - closing balance	182.72	33.69

Footnotes:

1. Cash and bank balances as per Schedule 10	897.02	2,391.84
Less: Bank deposits having original maturity over three months	(699.31)	(2,353.71)
Less: Unpaid dividend account	(14.99)	(4.44)
Cash and cash equivalents as per the cash flow statement	182.72	33.69

2. Equity shares issued to minority interest in Sesa Industries Limited consequent to its amalgamation with the Parent have not been considered in the cash flow statement, being a non cash transaction (Refer Note No. 2 of Schedule 19).
3. Foreign Currency Convertible Bonds converted into equity shares have not been considered in the cash flow statement, being a non cash transaction (Refer Note No. 7 of Schedule 19).
4. Figures in brackets represent outflows.
5. For notes to accounts refer Schedule 19.

Per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Rajesh K. Hiranandani
Partner

P.K. Mukherjee
Managing Director

A.K. Rai
Director

C.D. Chitnis
Company Secretary

Place: Panaji - Goa
Dated: 25th April, 2011

Place: Panaji - Goa
Dated: 25th April, 2011

Schedules Annexed to and Forming Part of the Balance Sheet

Schedule 1 : Share Capital

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Authorised				
1,000,000,000 (Previous year 1,000,000,000) equity shares of ₹1 each		100.00		100.00
Issued and Subscribed				
869,101,423 (Previous year 830,961,802) equity shares of ₹1 each fully paid-up		86.91		83.10
Total		86.91		83.10

Out of the above shares:

- 401,496,480 (Previous year 401,496,480) shares held by Finsider International Co. Ltd. U.K., the holding Company, a subsidiary of Vedanta Resources Plc. the ultimate holding company.
- 44,343,139 (Previous year 39,098,139) shares held by West Globe Limited Mauritius, a subsidiary of Vedanta Resources Plc.
- 19,250,000 (Previous year 19,250,000) shares allotted as fully paid-up shares pursuant to a contract without payment being received in cash, consequent to amalgamation of erstwhile Mingoa Private Limited with the Company with effect from 1-4-1979.
- 685,189,300 (Previous year 685,189,300) bonus shares allotted as fully paid-up shares pursuant to capitalisation of reserves and share premium account.
- 33,274,000 (Previous year 33,274,000) shares allotted as fully paid-up shares on a preferential basis to Twinstar Holdings Limited, a subsidiary of Vedanta Resources Plc.
- 39,188,159 (Previous year 10,447,402) shares allotted as fully paid-up shares on conversion of 2,832 (Previous year 755) Foreign Currency Convertible Bonds.
- 9,398,864 shares allotted during the year as fully paid-up shares to shareholders of the erstwhile Sesa Industries Limited for consideration other than cash, pursuant to the Scheme of amalgamation. (Refer Note No. 2 of Schedule 19)

Schedule 2 : Reserves and Surplus

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Share premium account				
As per last balance sheet	875.34		-	
Add: Amount received on preferential allotment of equity shares	-		533.91	
Add: Amount received upon conversion of Foreign Currency Convertible Bonds into equity shares	994.08		361.36	
Less: Expenses on issue of Foreign Currency Convertible Bonds	-		19.93	
		1,869.42		875.34
Capital reserve				
As per last balance sheet		0.25		0.25
Capital reserve on consolidation				
As per last balance sheet	-		-	
Add: Arising on acquisition of minority interest consequent to amalgamation of Sesa Industries Limited with the Parent (Refer Note No. 2 of Schedule 19)	9.87		-	
		9.87		-
General reserve				
As per last balance sheet	5,992.32		4,392.32	
Add: Transfer from profit and loss account	2,500.00		1,600.00	
		8,492.32		5,992.32
Hedging reserve				
As per last balance sheet	-		(9.08)	
Add: Amount adjusted on settlement of hedge contracts	-		13.76	
Less: Deferred tax impact on contracts	-		(4.68)	
		-		-
Profit and Loss Account				
As per annexed account		2,351.66		966.70
Total		12,723.52		7,834.61

Schedule 3 : Secured Loans

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
From banks				
Cash credit		3.31		9.61
(Secured against hypothecation of ore stocks, consumables stores, book debts and lodgement of letter of credit)				
Term loan		18.75		25.28
(Secured by specific charge on transfer vessel)				
[Due within a year ₹6.25 crore (Previous year ₹6.32 crore)]				
From others				
Term Loan		9.38		9.48
(Secured against future export proceeds)				
[Due within a year ₹9.38 crore (Previous year ₹Nil)]				
Total		31.44		44.37

Schedule 4 : Unsecured Loans

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Foreign Currency Convertible Bonds		968.01		1,916.19
(Refer Note No. 7 of Schedule 19)				
Total		968.01		1,916.19

Schedule 5 : Deferred Tax Liability

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Deferred tax liabilities				
on temporary timing differences		81.09		83.39
- in respect of depreciation allowance				
Deferred tax assets				
- in respect of compensated absence	6.10		6.04	
- others	6.78		2.33	
		12.88		8.37
Net deferred tax liability		68.21		75.02

Schedules Annexed to and Forming Part of the Balance Sheet (continued)

Schedule 6 : Fixed Assets

Particulars	Original Cost				Depreciation / Amortisation				Net Value	
	Opening as at 1st April, 2010	Addition	On Deductions	Closing as at 31st March, 2011	Upto 31st March, 2010	For the year	On Deductions	Upto 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Tangible Assets										
Mining leases	28.70	-	-	28.70	16.59	4.60	-	21.19	7.51	12.11
Mining concessions	0.68	-	-	0.68	0.65	-	-	0.65	0.03	0.03
Land plots (Note No. 1)	30.47	154.18	-	184.65	0.05	0.03	-	0.08	184.57	30.42
Road and bunders	7.20	2.87	-	10.07	2.04	0.17	-	2.21	7.86	5.16
Buildings	64.84	6.38	-	71.22	14.40	1.76	-	16.16	55.06	50.44
Plant and machinery	889.75	136.75	22.83	1,003.67	421.71	74.34	19.29	476.76	526.91	468.04
Aircraft (Note No. 2)	1.46	-	-	1.46	0.38	0.08	-	0.46	1.00	1.08
Vehicles	18.01	4.02	2.02	20.01	9.76	2.68	1.86	10.58	9.43	8.25
Riverfleet	62.96	13.56	-	76.52	21.29	2.06	-	23.35	53.17	41.67
Ship (Note No. 3)	160.88	0.68	0.01	161.55	82.11	8.10	0.01	90.20	71.35	78.77
Furniture and fittings	11.55	3.96	0.11	15.40	3.95	1.20	0.11	5.04	10.36	7.60
Intangible Assets										
Goodwill on consolidation	1,474.54	-	-	1,474.54	1.15	-	-	1.15	1,473.39	1,473.39
Computer software	-	16.36	-	16.36	-	1.36	-	1.36	15.00	-
Total	2,751.04	338.76	24.97	3,064.83	574.08	96.38	21.27	649.19	2,415.64	2,176.96
Previous year	886.34	1,881.72	17.02	2,751.04	342.24	248.34	16.50	574.08	2,176.96	
Capital work-in-progress										
Constructions in progress (Note No. 4)									547.91	37.89
Capital advances									180.75	40.85
Total									728.66	78.74

Notes:
1. Land Plots include under Perpetual Lease ₹1.99 crore (Previous year ₹1.99 crore)
2. Represents 50% undivided interest in a P68C Aircraft.
3. Includes ₹36.49 crore, being 50% undivided interest in a Transhipper Vessel named "Goan Pride".
4. Amount includes ₹4.55 crore (Previous year ₹0.17 crore) interest capitalised during the year.

Schedule 7 : Investments

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Current Investments (at lower of cost and market value)				
Non-trade, unquoted:				
In Mutual Funds				
Birla Floating Rate Fund - Long Term - Institutional - Growth	-		100.00	
Birla Interval Income Fund - Institutional Quarterly Interval Plan - Series II - Dividend	-		200.00	
Birla Interval Income Fund - Institutional Quarterly Interval Plan - Series I - Dividend	-		100.00	
Birla Short Term FMP Series 4 - Dividend Payout	125.00		-	
Birla Short Term Opportunity Fund - Dividend Payout	509.90		-	
Birla Sun Life Fixed Term Plan - Institutional Series CD (370 Days) - Growth Option	50.00		50.00	
Birla Sun Life Cash Plus Fund	40.11		-	
Birla Sun Life Savings Fund - Institutional Growth	-		82.06	
Birla Sunlife Ultra Short Term Fund - Institutional - Growth	340.09		-	
Canara Robeco Floating rate ST- Growth	88.04		-	
Canara Robeco Treasury Advantage Super Institutional Fund - Dividend	40.00		-	
Canara Robeco Treasury Advantage Super Institutional Fund - Growth Option	396.27		51.70	
DSP BlackRock FMP - 3M Series 27 - Dividend	100.00		-	
DSP BlackRock Money Manager Fund - Institutional - Growth	202.72		-	
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Growth	41.55		298.26	
HDFC Floating Rate Income Fund - Short Term Plan - Whole - Growth	120.33		-	
HDFC FMP 370 Days 2010 (2) - Dividend Payout	35.00		-	
HDFC FMP 370 Days June 2010 (1) - Growth	25.00		-	
HDFC FMP 370 Days June 2010 (2) - Dividend Payout	35.00		-	
HDFC Quarterly Interval Fund - Plan C - Dividend Payout	-		65.00	
ICICI Prudential FMP Series 52 - 1 Year Plan A - Growth Option	-		20.00	
ICICI Prudential MF - Flexible Income Plan - Institutional - Daily Dividend	150.02		-	
ICICI Prudential - Flexible Income Plan Premium - Growth	64.56		68.22	
ICICI Prudential Floating Rate - Plan D - Growth	172.11		-	
ICICI Prudential - Ultra Short Term Plan Super Premium - Growth Option	-		208.92	
ICICI Prudential FMP Series 51 - 1 Year Plan B - Growth Option	20.00		20.00	
ICICI Prudential FMP Series 52 - 1 Year Plan A - Growth	20.00		-	
ICICI Prudential Interval Fund II - Quarterly Interval Plan Institutional - Dividend	50.00		-	
ICICI Prudential Interval V Monthly Interval Plan - Dividend Payout	52.00		-	
ICICI Prudential Medium Term Premium Plus - Dividend Payout	-		150.00	
ICICI Prudential Banking and PSU Debt Fund - Daily Dividend	238.19		-	
ICICI Prudential Blended Plan B - Institutional Plan - Dividend Reinvested	788.55		-	
ICICI Prudential Blended Plan B - Institutional Plan - Dividend Payout	100.01		-	
IDFC FMP - Half Yearly Series 9 - Plan A - Dividend Payout	-		100.00	
IDFC Money Manager Fund - Investment Plan - Institutional Plan B - Growth Option	200.00		363.38	
IDFC Savings Advantage Fund - Plan A - Daily Dividend	401.95		-	
IDFC Fixed Maturity Monthly Series - 30 - Dividend	275.00		-	
Kotak Floater Long Term - Growth	413.14		254.20	
Kotak FMP 13M Series 5 - Growth	-		50.00	
Kotak FMP 370 Days - Series 1 - Growth Option	-		50.00	
Kotak FMP 370 Days - Series 3 - Growth Option	50.00		50.00	
Kotak FMP Quarterly Interval Plan - Series 3 - Dividend Payout Option	-		100.00	
Kotak FMP Quarterly Interval Plan - Series 6 - Dividend Payout Option	-		250.00	
Kotak FMP Quarterly Interval Plan - Series 9 - Dividend Payout Option	102.52		-	
Kotak FMP Quarterly Interval Plan - Series 10 - Dividend Payout Option	90.00		-	
PNB Principal Term Equity Fund 3 Plan Series II - Growth Plan	-		0.05	
Reliance Medium Term Fund - Retail Plan - Growth Option	-		100.97	
Reliance Fixed Horizon Fund - XIII - Series 3 - Super Institutional - Growth Option	-		60.00	
Reliance Fixed Horizon Fund - XIV - Series 5 - Super Institutional - Growth Option	50.00		50.00	
Reliance Fixed Horizon Fund - XIV - Series 1 - Super Institutional - Growth Option	100.00		100.00	
Reliance Fixed Horizon Fund - XV - Series 4 - Growth Option	50.00		-	
Reliance Fixed Horizon Fund - XV - Series 5 - Growth Option	25.00		-	
Reliance Fixed Horizon Fund - XV - Series 6 - Dividend Option	200.00		-	
Reliance Fixed Horizon Fund - XII - Series 4 - Super Institutional Growth	-		300.00	
Reliance Monthly Interval Fund - Series I - Institutional - Dividend Payout Option	242.01		-	
Reliance Monthly Interval Fund - Series II - Institutional - Dividend Payout Option	296.02		100.00	
Reliance Mutual Fund - Money Manager Fund - Dividend	123.14		-	
Reliance Quarterly Interval Fund - Series I - Dividend	204.01		-	
Religare FMP - Series II - Plan F (13 Months) - Growth Option	100.00		100.00	
Religare FMP - Series II - Plan C (15 Months) - Growth Option	100.00		100.00	
Religare FMP - Series II A (13 Months) - Growth Option	100.00		100.00	

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Schedules Annexed to and Forming Part of the Balance Sheet (continued)

Schedule 7 : Investments (continued)

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Religare FMP - Series II B (15 Months) - Growth Option	170.00		170.00	
Religare FMP - Series III - Plan C (370 Days) - Dividend	50.00		-	
Religare FMP - Series III A (12 Months) - Growth Option	50.00		-	
SBI Debt Fund Series - 13 Months - 10 - Institutional Growth	-		150.00	
SBI Debt Fund Series - 370 Days - Growth Option	-		90.00	
SBI - Short Horizon Debt Fund - Ultra Short Term Plan - Institutional Growth Option	126.69		83.72	
SBI Premier Liquid Fund - Super Institutional - Daily Dividend	74.14		-	
SBI SDFS - 370 Days	90.00			
Tata Fixed Maturity Plan - Series 26 - Scheme A - Growth Option	20.00		20.00	
Tata Floater Fund - Growth Option	564.00		8.32	
UTI - Fixed Income Interval Fund - Monthly Interval Plan I - Dividend	150.00		-	
UTI - Fixed Income Interval Fund - Monthly Interval Plan II - Dividend	114.99		-	
UTI - Floating Rate Fund - Short Term Plan - Institutional - Growth	437.64		-	
UTI - Treasury Advantage Fund - Institional Plan - Growth	25.05		-	
UTI - Short Term Income Fund - Institutional Income Option - Reinvestment	-		200.00	
UTI - Fixed Income Interval Fund - Series II - Quarterly Interval Plan V - Institutional Dividend Plan - Payout	-		150.00	
UTI - FMP - Yearly Series (YFMP 11/09) - Institutional Growth Option	-		50.00	
		8,799.75		4,564.80
Long-term Investments (at cost less provision for dimunition):				
Non-trade, unquoted shares:				
In Co-operative societies:				
Sesa Ghor Premises Holders' Maintenance Society Limited 400 equity shares of ₹10 each fully paid-up [₹4,000 (Previous year ₹4,000)]		-		-
Sesa Goa Sirsaim Employees' Consumers Co-operative Society Limited 200 equity shares of ₹10 each fully paid-up [₹2,000 (Previous year ₹2,000)]		-		-
Sesa Goa Sanquelim Employees' Consumers Co-operative Society Limited 230 equity shares of ₹10 each fully paid-up [₹2,300 (Previous year ₹2,300)]		-		-
Sesa Goa Sonshi Employees' Consumers Co-operative Society Limited 468 equity shares of ₹10 each fully paid-up [₹4,680 (Previous year ₹4,680)]		-		-
Sesa Goa Codli Employees' Consumers Co-operative Society Limited 450 equity shares of ₹10 each fully paid-up [₹4,500 (Previous year ₹4,500)]		-		-
Sesa Goa Shipyard Employees' Consumers Co-operative Society Limited 500 equity shares of ₹10 each fully paid-up [₹5,000 (Previous year ₹5,000)]		-		-
V.S. Dempo Surla Mine Staff Co-operative Credit Society Ltd. 250 equity shares of ₹10 each fully paid-up [₹2,500 (Previous year ₹2,500)]		-		-
V.S. Dempo Surla Mine Staff Consumer Co-operative Society Ltd. 250 equity shares of ₹10 each fully paid-up [₹2,500 (Previous year ₹2,500)]		-		-
The Mapusa Urban Cooperative Bank Limited 40 equity shares of ₹25 each fully paid-up [₹1,000 (Previous year ₹1,000)]		-		-
In other companies:				
Goa Shipyard Limited 62,707 equity shares of ₹10 each fully paid-up (including 34,837 bonus shares)		0.03		0.03
Goa Infrastructure Development Company Private Limited 5,000 equity shares of ₹100 each fully paid-up.		0.01		0.01
Goa Maritime Private Limited 5,000 equity shares of ₹10 each fully paid-up.		0.01		0.01
Total Cost		8,799.80		4,564.85
Provision for dimunition in value of investments [₹5,000 (Previous year ₹5,000)]		-		-
Total		8,799.80		4,564.85

Notes:

1. Aggregate amount of mutual fund investments at net asset value		8,891.27		4,624.67
2. Aggregate amount of unquoted investments at cost [including mutual funds of ₹8,799.75 crore (Previous year ₹4,564.80 crore)]		8,799.80		4,564.85
3. Investments on lien towards purchase of shares in Cairn India Limited (Refer Note No. 3 of Schedule 19).		1,674.67		-

Schedule 8 : Inventories

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Stocks of (at lower of cost and net realisable value):				
Raw material [including goods in transit ₹116.32 crore (Previous year ₹Nil)]		294.84		113.94
Finished goods				
Iron Ore	313.80		315.61	
Metallurgical Coke	35.14		10.66	
Pig Iron	38.58		12.38	
		387.52		338.65
Work-in-progress		0.32		1.74
Consumables stores and spares [including goods in transit ₹0.13 crore (Previous year ₹0.11 crore)]		61.07		48.21
Total		743.75		502.54

Inventories are net of unrealised profits on intragroup sales.

Schedule 9 : Sundry Debtors

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Debts outstanding for a period exceeding six months				
Unsecured and considered good	29.84		39.56	
Considered doubtful	2.74		2.68	
		32.58		42.24
Other debts				
Unsecured and considered good		653.18		298.56
		685.76		340.80
Less: Provision for doubtful debts		2.74		2.68
Total		683.02		338.12

Schedules Annexed to and Forming Part of the Balance Sheet (continued)

Schedule 10 : Cash and Bank Balances

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Cash on hand [including cheques and demand drafts on hand ₹3.27 crore (Previous year ₹2.51 crore)]		3.38		2.61
Demand drafts in transit		4.02		6.76
Balances with scheduled banks:				
On current account (Refer Note No. 2)	175.19		24.12	
On deposit account [(Including on lien ₹0.86 crore (Previous year ₹0.85 crore)]	699.31		2,353.71	
On EEFC account	0.05		0.12	
On unpaid dividend account	14.99		4.44	
		889.54		2,382.39
Balances with other banks:				
On current account (Refer Note No. 1)		0.08		0.08
Total		897.02		2,391.84

Notes:

1.

Name of other banks	Balance ₹ in crore	Max. balance at any time during the year ₹ in crore	Balance ₹ in crore	Max. balance at any time during the year ₹ in crore
Bank of Shanghai, China	0.08	0.18	0.08	0.15

2. Balance in current account includes ₹140.16 crore, held in Escrow account towards purchase of shares in Cairn India Limited (Refer Note No. 3 of Schedule 19).

Schedule 11 : Loans and Advances

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Unsecured considered good unless otherwise stated				
Advances recoverable in cash or in kind or for value to be received				
Considered good	264.60		118.28	
Considered doubtful	0.62		0.50	
Less: provision for doubtful advances	0.62		0.50	
		264.60		118.28
Intercorporate deposits (Refer Note No. 16 of Schedule 19		1,026.71		1,000.00
Balances with port trusts, customs, excise authorities etc.		2.01		3.48
Loans and advances to staff		1.51		1.47
Prepaid expenses		13.71		11.57
Deposits		13.11		10.72
Total		1,321.65		1,145.52

Schedule 12 : Current Liabilities

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Sundry creditors				
Due to micro and small enterprises	0.85		0.60	
Due to others *	1,168.31		726.22	
		1,169.16		726.82
Advances from customers		22.93		19.89
Unclaimed dividend #		14.99		4.44
Unclaimed matured deposits #		0.05		0.02
Unclaimed interest on deposits #		0.01		0.01
Other liabilities		62.10		33.46
Interest accrued but not due on loans		25.40		45.54
Total		1,294.64		830.18

* Includes ₹1.16 crore due to directors (Previous year ₹0.96 crore)

There are no amounts due and outstanding as at balance sheet date to be credited to Investor Education and Protection Fund.

Schedule 13 : Provisions

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
For income tax [net of advance tax ₹3,812.57 crore (Previous year ₹2,294.65 crore)]		49.98		73.68
For proposed dividend		304.18		270.06
For dividend tax		49.35		45.90
For gratuity		5.19		3.72
For compensated absence		22.25		18.05
Total		430.95		411.41

Schedules Annexed to and Forming Part of the Profit and Loss Account

Schedule 14 : Services and Other Proceeds

Particulars	Year ended 31st March, 2011		Year ended 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Sale of material		8.59		5.47
Sale of gases		3.11		2.89
Sale of slag		3.77		4.42
Technology licence fee		-		3.86
Sale of carbon credits		4.44		-
Barge hire charges [Tax deducted at source ₹0.31 crore (Previous year ₹0.23 crore)]		15.58		0.08
Proceeds from various services [Tax deducted at source ₹0.44 crore (Previous year ₹0.63 crore)]		6.96		18.04
Repairs of vessels by shipyard [Tax deducted at source ₹0.05 crore (Previous year ₹Nil)]		2.61		-
Shipping agency fees [Tax deducted at source ₹Nil (Previous year ₹0.01)]		-		0.08
Difference in rate of exchange (net)		14.59		20.40
Total		59.65		55.24

Schedule 15 : Miscellaneous Income

Particulars	Year ended 31st March, 2011		Year ended 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Interest on Intercorporate deposits [Tax deducted at source ₹9.01 crore (Previous year ₹14.18 crore)]	91.03		95.21	
Interest on Fixed deposits [Tax deducted at source ₹10.85 crore (Previous year ₹0.68)]	82.15		46.21	
Interest others	0.18		1.43	
		173.36		142.85
Dividends				
On current investments (Non trade)	296.99		78.96	
On long term investments (Non trade)	0.06		0.04	
		297.05		79.00
Profit on sale of current investments (net)		62.16		75.30
Profit on sale of assets (net)		0.86		0.18
Difference in rate of exchange on Foreign Currency Convertible Bonds		-		121.91
Excess provision written back		-		2.21
Provision for doubtful debts written back		0.42		0.03
Other receipts [Tax deducted at source ₹0.14 crore (Previous year ₹0.25 crore)]		6.04		4.49
Total		539.89		425.97

Schedule 16 : Production and Operational Expenses

Particulars	Year ended 31st March, 2011 ₹ in crore	Year ended 31st March, 2011 ₹ in crore	Year ended 31st March, 2010 ₹ in crore	Year ended 31st March, 2010 ₹ in crore
Increase/decrease in stock of finished goods and work-in-progress				
Opening stock				
Iron ore	315.61		131.78	
Metallurgical coke	10.66		11.67	
Pig iron	12.38		9.71	
Work-in-progress	1.74		1.63	
	340.39		154.79	
On acquisition	-		64.48	
	340.39		219.27	
Less: Closing stock				
Iron ore	313.80		315.61	
Metallurgical coke	35.14		10.66	
Pig Iron	38.58		12.38	
Work-in-progress	0.32		1.74	
	387.84		340.39	
		(47.45)		(121.12)
Excise duty on stock of finished goods		3.75		0.20
Consumption of raw materials		396.15		345.86
Consumption of stores [includes cost of supplies to contractors of the value of ₹69.89 crore (Previous year ₹61.42 crore)]		296.31		243.68
Purchase of ore		509.12		309.56
Personnel: (Refer Note No. 13 of Schedule 19)				
Salaries, wages, bonus and allowances	127.96		111.18	
Contributions to provident and other funds	6.92		5.26	
Contributions to gratuity and annuity funds	7.96		4.07	
Staff welfare expenses	13.97		8.84	
		156.81		129.35
Repairs and maintenance (Refer Note No. 10 of Schedule 19)				
Plant and machinery	35.57		23.71	
Buildings	17.26		3.29	
Others	29.81		9.39	
		82.64		36.39
Contractors for hired trucks and other services		740.55		664.40
Hire charges of barges		80.74		81.77
Wharfage, tonnage, handling & shipping expenses		111.15		153.44
Railway freight		274.38		281.01
Rent		5.38		4.03
Export duty		661.98		147.58
Royalties		330.41		160.72
Rates and taxes		5.00		8.84
Insurance		15.60		8.89
Electricity and water charges		20.52		16.86
Demurrage over despatch		176.54		111.16
Commission and service charges on sales		2.24		11.58
Analysis of ore		5.06		7.17
Maintenance of offices		0.88		0.46
Printing and stationery		1.03		0.70
Travelling and representation expenses		9.08		3.85
Maintenance of vehicles		0.45		0.38
General expenses		54.17		43.61
Provision for mine closure expenses (Refer Note No. 11 Schedule 19)		1.06		0.18
		3,893.55		2,650.55
Less: Extraction and processing costs recovered		27.34		34.69
Total		3,866.21		2,615.86

Schedules Annexed to and Forming Part of the Profit and Loss Account (continued)

Schedule 17 : Administration Expenses

Particulars	Year ended 31st March, 2011		Year ended 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Personnel: (Refer Note. No. 13 of Schedule 19)				
Salaries, wages, bonus, allowances and commission	43.92		35.69	
Contributions to provident and other funds	1.03		0.77	
Contributions to gratuity and annuity funds	2.02		1.29	
Staff welfare expenses	3.30		1.76	
		50.27		39.51
Maintenance of offices and equipment		1.90		1.07
Printing and stationery		1.05		0.85
Postage, telephone, cables and telex charges		1.37		1.61
Fees to auditors				
Audit fees	0.45		0.41	
Other certificate fees	0.49		0.46	
Reimbursement of expenses	0.05		0.07	
		0.99		0.94
Sitting fees and commission to non-wholetime directors		0.49		0.32
Travelling expenses [Includes travelling expenses of directors ₹0.67 crore (Previous year ₹0.61 crore)]		4.30		4.60
Professional and legal charges		52.93		21.26
Maintenance of vehicles		2.18		1.91
Donations and contributions		7.49		6.71
Provision for doubtful debts		0.07		0.02
Bad debts		0.03		-
Provision for doubtful advances		0.12		0.50
Claims under litigation		1.67		9.03
Miscellaneous expenses		7.73		5.47
Total		132.59		93.80

Schedule 18 : Interest and Other Finance Charges

Particulars	Year ended 31st March, 2011		Year ended 31st March, 2010	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Interest on fixed period loans				
On Foreign Currency Convertible Bonds	27.86		45.36	
On term loan	0.64		0.85	
		28.50		46.21
Interest others		7.59		3.66
Difference in rate of exchange on Foreign Currency Convertible Bonds		48.78		-
Discounting charges		2.03		1.85
Other charges		3.24		3.79
Total		90.14		55.51

Notes Forming Part of the Accounts
For the year ended 31st March, 2011

Schedule 19 :

1. **Significant Accounting Policies**

i) Basis of accounting

The consolidated financial statements of Sesa Goa Limited (the "Parent"), its subsidiaries and jointly controlled entity (the "Group") have been prepared on accrual basis under historical cost convention to comply in all material respects with the Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 1956.

ii) Use of estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognised in the period in which the results are known / materialised.

iii) Principles of consolidation

The consolidated financial information incorporates the results of the Parent, its subsidiaries and its jointly controlled entity, being the companies that it controls or in respect of which it is in joint control. This control is normally evidenced when the Company is able to govern another company's financial and operating policies so as to benefit from its activities or where the Company owns, either directly or indirectly, the majority of another company's equity voting rights unless in exceptional circumstances it can be demonstrated that ownership does not constitute control.

The financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. Interest in the jointly controlled entity is reported using proportionate consolidation. The financial statements of the subsidiaries and the jointly controlled entity are prepared for the same reporting year as the Parent, using consistent accounting policies to the extent practicable. Adjustments are made to align any dissimilar accounting policies that may exist where practicable. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Particulars of subsidiaries and the jointly controlled entity are given below:

Name of Company	Country of Incorporation	% of voting power held on 31.3.2011	% of voting power held on 31.3.2010
Sesa Industries Limited ("SIL") *(Amalgamated during the year with the Parent, Refer Note No. 2)	India	*	88.251
Sesa Resources Limited ("SRL" formerly V. S. Dempo & Company Limited)	India	100	100 #
Sesa Mining Corporation Limited ("SMCL" formerly Dempo Mining Corporation Limited)	India	100	100 #
Goa Maritime Private Limited ("GMPL")	India	50	50 #

with effect from 12th June, 2009

For information relating to Subsidiaries as required under General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, refer Annexure (page 104).

The assets, liabilities, income and expenses of GMPL are not material to the financial statements of the Group taken as a whole. Therefore, information in that respect required by Accounting Standard (AS 27) on Financial Reporting of Interests in Joint Ventures has not been furnished and also the share of profits / losses of GMPL are not consolidated.

Notes Forming Part of the Accounts (continued)

For the year ended 31st March, 2011

Schedule 19 : (continued)

iv) Revenue recognition

Revenue is recognised when significant risks and rewards of ownership of the goods sold are transferred to the customer and the commodity has been delivered to the shipping agent/customer.

Revenue represents the invoice value of goods and services provided to third parties net of discounts, sales taxes/value added taxes, and is after considering adjustments on final invoices (arising on analysis variances) received upto the year end.

Revenue in respect of contracts for services is recognised on completion of services.

Dividend income is recognised when the right to receive dividend is established.

Interest income is recognised on a time proportion basis by reference to the principal outstanding and at the interest rate applicable.

v) Employee benefits

a. Provident fund: The Group's contribution to the recognised provident fund, pension fund and employees' deposit linked insurance scheme paid / payable during the year is debited to the Profit and Loss Account.

b. Gratuity fund: The Group accounts for the net actuarial liability of its obligations for gratuity benefits based on an independent actuarial valuation determined on the basis of the projected unit credit method carried as at the year end. Based on the above determined obligation, the Group makes contribution to funds managed by insurance companies. Actuarial gains and losses are immediately recognised in the Profit and Loss Account.

c. Annuity fund: The Group has a defined contribution plan for certain categories of employees, wherein it annually contributes a predetermined proportion of employee's salary to an insurance company which administers the fund. The Group recognises such contributions as an expense over the period of services rendered.

d. Compensated absence: The liability in respect of compensated absence for employees is determined on the basis of an independent actuarial valuation carried out at the end of the year and differential liability recognised as expense in the Profit and Loss Account.

vi) Investments

Long term investments are stated at cost less provision for dimunition. Provision for dimunition is made to recognise decline (other than temporary) in the value of investments, if any. Current investments are stated at cost or market value, whichever is lower.

vii) Inventories

Raw material, consumable stores and spares are held for use in production and are valued at cost determined on the basis of weighted average method.

Work-in-progress, stock of iron ore, metallurgical coke and pig iron are valued at lower of cost or net realisable value. Cost includes raw material and proportion of fixed and variable overheads.

viii) Foreign currency transactions

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Year end balance of monetary assets and liabilities are translated at the year end rates. Exchange difference arising on restatement or settlement is charged to the Profit and Loss Account.

ix) Foreign currency forward contracts

The Group enters into forward derivative financial instruments to hedge its exposure to foreign currency. The Group does not hold derivative financial instruments for speculative purposes. Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet dates.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Profit and Loss Account.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in Reserves and Surplus. Amount deferred to Reserves and Surplus are recycled in the Profit and Loss Account in the period when the hedged item is recognised in the Profit and Loss Account.

Derivative financial instruments that do not qualify for hedge accounting are marked to market at the balance sheet date and gains or losses are recognised in the Profit and Loss Account immediately.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in Reserves and Surplus is kept in Reserves and Surplus until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Reserves and Surplus is transferred to the Profit and Loss Account for the year.

x) Fixed assets

Fixed assets except for the leasehold mine at Karnataka, are stated at their original cost along with taxes, duties (net of Modvat/Cenvat availed, if any), freight and interest on borrowings up to the date of commissioning for operation, attributable to acquisition/construction of the concerned assets.

The iron ore reserves of the leased mine located in Karnataka were valued and shown as fixed assets by erstwhile A. Narrain Mines Ltd. (ANML). The Group continues to show the value of the said mining lease as fixed assets after merger of said ANML. The Group's other mining leases having ore reserves, however, are not valued. Amounts paid to Government authorities towards renewal of forest clearances in respect of owned mining leases are capitalised as a part of mining leases.

xi) Borrowing costs

Borrowing costs attributable to the acquisition or construction of assets requiring a substantial period of time are capitalised. All other borrowing costs including exchange differences on foreign currency loans are charged to revenue.

xii) Depreciation

Depreciation except on the leasehold mine at Karnataka, and in respect of vehicles, furniture, computers and railway wagons is provided for on Straight Line Method (SLM) at the rates specified in Schedule XIV of the Companies Act, 1956. In respect of vehicles, furniture and computers depreciation has been charged on SLM method at annual rate of 20%, 10% and 30% respectively to bring it in line with the useful life of the assets. The cost of railway wagons procured under Wagon Investment Scheme (WIS) is being depreciated at the rate of 10% per annum on a Straight Line basis. The value of mining leases capitalised are amortised in proportion to actual quantity of ore extracted therefrom. Amounts paid towards renewal of forest clearances in respect of owned mining lease are amortised over the operating period of the lease. Fixed assets costing less than ₹5,000 are wholly depreciated in the year of acquisition. Expenses on implementation of Enterprise Resource Planning–SAP are amortised over thirty-six months.

Depreciation has been charged from the month of the date of purchase in the case of acquisitions made during the year. In respect of assets sold, depreciation is provided up to the month prior to the date of sale.

Notes Forming Part of the Accounts (continued)

For the year ended 31st March, 2011

Schedule 19 : (continued)

xiii) Impairment of assets

The carrying amounts of fixed assets are reviewed for impairment, if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If there are indicators of impairment, an assessment is made to determine whether the assets carrying value exceeds its recoverable amount. Whenever the carrying value of an asset exceeds recoverable amount, impairment is charged to the Profit and Loss Account.

xiv) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is neither recognised nor disclosed.

xv) Segment reporting

The Group is in the business of mining and sale of iron ore and manufacture and sale of metallurgical coke and pig iron. All of the Group's establishments are located in one country i.e. India. The revenues from other than sale of ore, metallurgical coke and pig iron are either incidental to the above three businesses or of non-recurring nature. Therefore the Group operates in three business segments.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis, have been included under "Unallocated revenue / expenses / assets / liabilities".

xvi) Taxes on income

The Group's income taxes include taxes on each entity's taxable profits, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities/receivables are carried at current amounts and in accordance with enacted tax regulations, rates or in the case of deferred taxes those that have been substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

xvii) Accounting for government grants/refunds

Government grants/subsidies and refunds due from Government Authorities are accounted when there is reasonable certainty of their realisation.

2. Acquisition of minority interest in Sesa Industries Limited consequent to its amalgamation with the Parent:

a) The Honourable Supreme Court of India, by an Order dated 7th February, 2011, approved the Scheme of Amalgamation (the "Scheme") of Sesa Industries Limited (engaged in the manufacture and sale of Pig Iron and hereinafter referred to as SIL) (erstwhile subsidiary of Sesa Goa Limited) with Sesa Goa Limited (the "Parent") effective from the appointed date i.e. 1st April, 2005, by setting aside the Order dated 21st February, 2009, passed by the Division Bench of the High Court of Bombay at Goa not sanctioning the Scheme passed by the Single Bench of the Honourable High Court of Bombay, at Goa vide its Order dated 18th December, 2008. The Scheme has accordingly been given effect to in these financial statements. The effective date of amalgamation is 14th February, 2011.

b) As a result of the above:

i) 9,398,864 equity shares of ₹1 each have been issued in the ratio of 20 fully paid equity shares of ₹1 each (after adjustment for stock split and bonus shares) in the Parent for 5 fully paid equity shares of ₹10 each held by the minority shareholders of erstwhile SIL.

ii) the excess of minority interests as of 1st April, 2005 over the face value of shares allotted has been treated as a capital reserve on consolidation.

iii) the profits for the period subsequent to 1st April, 2005 till 31st March, 2010 has been included in the balance in Profit and Loss Account.

iv) dividend on the aforesaid 9,398,864 equity shares of ₹1 each amounting to ₹12.88 crore has been paid to the minority shareholders of erstwhile SIL for the financial years from 31st March, 2006 to 31st March, 2010 at the rates declared by the Parent in the relevant years. The aforesaid amount of ₹12.88 crore includes dividend tax of ₹1.83 crore.

3. The Group has proposed to acquire upto 20% of the equity share capital of Cairn India Ltd ("CIL"), subject to requisite approvals. For the said acquisition, the Group is acting as a Person in Concert with its ultimate holding company Vedanta Resources Plc ("Vedanta"), and/or any of Vedanta's subsidiaries for acquiring majority of equity shares of CIL. The Group has received clearance from Securities and Exchange Board of India ("SEBI") to proceed with an open offer of up to 20% of the shares of CIL. The Group has launched the Open Offer from 11th April, 2011.

In April 2011, the Group acquired 200 million shares amounting to 10.4% stake in CIL from Petronas International Corporation Ltd ("Petronas") at a price of ₹331 per share. The acquisition is in addition to the Open Offer launched by the Group on 11th April, 2011.

4. The Company had pursuant to a share purchase agreement dated 11th June, 2009 acquired 1,250,000 equity shares of ₹10 each (being 100% of the issued and paid-up share capital) of Sesa Resources Limited (formerly V. S. Dempo & Company Limited) ("SRL"). SRL in turn holds 1,150,000 equity shares of ₹100 each (being 100% of the issued and paid-up share capital) of Sesa Mining Corporation Limited (formerly Dempo Mining Corporation Limited) ("SMCL") and also hold 5,000 equity shares of ₹10 each (being 50% of the issued and paid-up share capital) of Goa Maritime Private Limited.

In view of SRL and SMCL having become subsidiaries of the Company with effect from 12th June, 2009, the consolidated figures for the current year are not comparable with those of the previous year.

5. The Parent has acquired assets of the upcoming Steel Plant Unit of Bellary Steel and Alloys Ltd ("BSAL") for an all cash consideration of ₹220.00 crore. BSAL was in the process of putting up a 0.5 mtpa Steel Plant Project at Bellary. The properties of the under construction plant acquired are freehold land of ~700 acres, building and structures, plant and machinery and other assets of the Steel Plant. The Assets have been transferred on an "As is where is" basis to the Parent as of 22nd March, 2011.

6. During the previous year 2009-10, the Parent had issued 33,274,000 equity shares of ₹1 each at a premium of ₹160.46 per share for cash to Twin Star Holdings Limited on a preferential basis under the applicable provisions of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 (the "Guidelines"). A part of the proceeds aggregating ₹101.47 crore (Previous year ₹101.47 crore) has been utilised for the Parent's capital projects. The unutilised portion of the issue proceeds amounting to ₹435.77 crore (Previous year ₹435.77 crore) has been invested in Mutual Funds.

7. During the previous year 2009-10, the Parent issued 5,000 Foreign Currency Convertible Bonds ("FCCBs") aggregating US$ 500 million at a coupon rate of 5% (net to bondholder) The bondholders have an option to convert these FCCBs into shares, at a conversion price of ₹346.88 per share at a fixed rate of exchange on conversion of ₹48.00 per US $ 1.00 at any time on or after 9th December, 2009. The conversion price is subject

Notes Forming Part of the Accounts (continued)

For the year ended 31st March, 2011

Schedule 19 : (continued)

to adjustment in certain circumstances. The FCCBs may be redeemed in whole, but not in part, on or after 30th October, 2012, subject to certain conditions. Unless previously converted, redeemed or repurchased and cancelled, the FCCBs fall due for redemption on 31st October, 2014 at par. As at 31st March, 2011, 2,832 FCCB's have been converted into 39,188,159 equity shares.

A part of the proceeds aggregating ₹775.28 crore (Previous year ₹21.70 crore) has been utilised for the Parent's capital projects, the construction of which is in progress. The unutilised portion of the FCCB proceeds aggregating ₹1,607.22 crore (Previous year ₹2,360.80 crore) have been placed in term deposits/mutual funds/ current accounts with a scheduled bank, pending utilisation. Interest aggregating ₹4.72 crore (Previous year ₹0.17 crore) in respect of amounts utilised for the construction of capital projects has been capitalised and included as part of Capital Work-in-Progress. The balance interest amounting to ₹27.86 crore (Previous year ₹45.36 crore) has been charged to the Profit and Loss Account.

8. **Contingent Liabilities:**

i) Guarantees (excluding the liability for which provisions have been made) amounting to ₹13.84 crore (Previous year ₹11.85 crore) given by the Bankers in favour of various parties - none invoked.

ii) Letters of Credit opened by the banks in favour of suppliers amounting to ₹363.93 crore (Previous year ₹179.92 crore).

iii) Bonds executed in favour of customs authorities in respect of export of iron ore ₹1,807.92 crore (Previous year ₹1,010.84 crore).

iv) Claims by custom authorities (under dispute) relating to differential export duty on export shipments ₹49.13 crore (Previous year ₹49.13 crore). The said amount is also included under bonds executed detailed in point 8 (iii) above.

v) Bills discounted under letters of credit with banks ₹391.96 crore. (Previous year ₹471.08 crore).

vi) Provisions have also not been made in the accounts in respect of the following liabilities not acknowledged as debts for the reasons stated against them:

a) Dead rent on deemed mining leases for the period from 20.12.1962 to 23.5.1987 amounting to ₹0.10 crore (Previous year ₹0.10 crore) and royalty for the period from 20.12.1961 to 30.9.1963 amounting to ₹0.12 crore (Previous year ₹0.12 crore) sought to be levied by the Government pursuant to the Goa, Daman & Diu Mining Concessions (Abolition & Declaration as Mining Leases) Act, 1987, challenged by Special Leave Petition before Supreme Court of India.

b) Claims related to commercial and employment contracts ₹7.40 crore (Previous year ₹7.15 crore).

c) A civil suit claiming a damage of a minimum amount of ₹37.50 crore (Previous year ₹37.50 crore) towards infringement of patent has been filed against the Parent.

d) Disputed sales tax demand of ₹0.45 crore (Previous year ₹0.45 crore) including interest and penalty of ₹0.09 crore (Previous year ₹0.09 crore) appealed before Appellate Authority.

e) Disputed income tax demand of ₹19.51 crore (Previous year ₹9.92 crore) including interest and penalty of ₹1.71 crore (Previous year ₹1.24 crore), appealed before Appellate Authority.

f) Disputed demand from customs authorities towards fine and penalty of ₹0.35 crore (Previous year ₹0.35 crore) for improper documentation of equipments loaded/unloaded to/from the Parent's vessel M.V. Orissa and its improper use.

g) Disputed demand from customs authorities of ₹1.60 crore including penalty of ₹0.80 crore, for transferring imported metallurgical coke at concessional rate of duty under the provisions of Customs (Import of Goods at Concessional rate of Duty for manufacture of Excisable Goods) Rules 1996 to the erstwhile M/s. Sesa Kembla Coke Company Limited, appealed before the Appellate Authority.

h) Disputed forest development tax amounting to ₹173.96 crore (Previous year ₹164.12 crore) levied by Government of Karnataka challenged by writ petition filed in the High Court of Karnataka. Hearing of writ petition before the High Court of Karnataka is pending. A bank guarantee amounting to ₹35.00 crore (Previous year ₹74.00 crore) has been furnished against this demand. Also an amount of ₹32.97 crore (Previous year ₹5.00 crore) has been deposited against aforesaid demand and same is included under Loans and Advances.

i) A Notice issued by the Deputy Conservator of Forest, Chitradurga, demanding registration of a supplemental forest lease agreement by payment of stamp duty calculated on the net present value which has been challenged in the High Court of Karnataka. Estimated liability is ₹0.92 crore (Previous year ₹0.92 crore). A bank guarantee amounting to ₹0.45 crore (Previous year ₹0.45 crore) has been furnished against this demand.

j) Cess on transportation of ore, coal and coke within Goa levied by Government of Goa under the Goa Rural Development and Welfare Cess Act, 2000 (Goa Act 29 of 2000) amounting to ₹118.11 crore (Previous year ₹85.49 crore) challenged by way of writ petition in the High Court of Bombay, Panjim Bench.

k) A demand from Railway authorities towards stacking charges amounting to ₹4.09 crore appealed before Kolkata High Court and stay obtained. A bank guarantee amounting to ₹4.09 crore has been furnished against this demand.

l) Disputed marine claims aggregating ₹13.57 crore and disputed income tax claims aggregating ₹33.87 crore in respect of a subsidiary. These claims if finally determined as payable will be reimbursed by the erstwhile shareholders of the said subsidiary pursuant to Share Purchase Agreement dtd. 11.06.2009.

The Group does not expect devolvement of any liability in respect of the above.

9. Estimated amount of contracts (net of advances) remaining to be executed on capital account ₹412.39 crore (Previous year ₹428.50 crore).

10. Direct expenditure on repairs and maintenance included under major heads of expenses are as under:

(₹ in crore)

	Particulars	Plant and Machinery	Buildings	Others	Total
a)	Wages and salaries	14.42 (14.13)	0.64 (0.49)	0.21 (0.18)	15.27 (14.80)
b)	Consumption of stores	59.63 (56.78)	2.12 (0.74)	0.60 (0.45)	62.35 (57.97)
c)	Contractors for various services	15.53 (17.66)	0.45 (1.32)	0.51 (0.37)	16.49 (19.35)
d)	Others	1.73 (1.46)	1.88 (-)	0.17 (0.07)	3.78 (1.53)
	Total	91.31 (90.03)	5.09 (2.55)	1.49 (1.07)	97.89 (93.65)

(Figures in bracket relate to previous year)

Notes Forming Part of the Accounts (continued)

For the year ended 31st March, 2011

Schedule 19 : (continued)

11. In terms of the Mineral Concession Rules 1960 and Mineral Conservation and Development Rules (MCDR) 1988, the Group has provided a "financial assurance" in the form of a bank guarantee to the Regional Controller of Mines, towards its mine closure obligation. The Group has made a provision for expense to the extent of the bank guarantees provided.

The present mine closure provision at 31st March, 2011 is as under:

(₹ in crore)

Nature of obligation	2010-11	2009-10
Mines Closure Provision		
Opening carrying amount	2.65	1.50
Additional provisions made during the year	1.06	1.15
Amounts used during the year	-	-
Unused amounts reversed during the year	-	-
Closing carrying amount	3.71	2.65

12. Research and development expenditure of ₹0.29 crore (Previous year ₹0.48 crore) has been charged to Profit and Loss Account under specific heads of accounts, while ₹Nil (Previous year ₹Nil) has been incurred as capital cost for research and development.

13. **Employee benefits obligations:**

Defined benefit plans:

The Group offers its employees defined benefit plans in the form of gratuity schemes. Gratuity Scheme covers all employees as statutorily required under Payment of Gratuity Act, 1972. The Group has five gratuity schemes for different categories of employees. The Group contributes funds to Life Insurance Corporation of India, HDFC Standard Life Insurance Co. Limited and ICICI Prudential Life Insurance Company Limited which are irrevocable. Commitments are actuarially determined at the year end. The actuarial valuation is done based on the "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Profit and Loss Account under the head 'Personnel'.

The net value of the defined benefit commitment is detailed below:

(₹ in crore)

Particulars	2010-11	2009-10
Fair value of plans	40.04	37.80
Present value of commitment	(43.53)	(38.60)
Net gratuity liability	(3.49)	(0.80)
Defined benefit commitment		
Balance at start of the year	38.60	25.63
On acquisition	-	9.46
Current service cost	2.24	2.15
Benefits paid	(4.75)	(2.55)
Interest cost	3.09	2.79
Actuarial (gains)/losses	4.35	1.12
Balance at end of year	43.53	38.60

(₹ in crore)

Particulars	2010-11	2009-10
Plan assets		
Balance at start of the year	37.80	20.88
On acquisition	-	11.57
Contribution received	3.72	4.74
Benefits paid	(4.75)	(2.55)
Return on scheme assets	3.00	2.80
Actuarial gains/(losses)	0.27	0.36
Balance at end of year	40.04	37.80

The Plan assets of the Group are managed by the Life Insurance Corporation of India, HDFC Standard Life Insurance Co. Limited and ICICI Prudential Life Insurance Company Limited and the composition of the Investment relating to these assets is not available with the Group.

(₹ in crore)

Return on plan assets	2010-11	2009-10
Expected return on plan assets	3.00	2.80
Actuarial gain / (loss)	0.27	0.36
Actual return on plan assets	3.27	3.16

Expenses on defined benefit plan recognised in the Profit and Loss Account :

(₹ in crore)

Particulars	2010-11	2009-10
Current service cost	2.24	2.15
Actuarial (gains) / losses	4.08	0.76
Expected return on plan assets	(3.00)	(2.80)
Interest cost	3.09	2.79
Direct payment	0.02	-
Total expenses / (income) accounted in the Profit & Loss Account	6.43	2.90

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions which if changed, would affect the defined benefit commitments size, funding requirements.

Particulars	2010-11	2009-10
Rate on discounting liabilities	8% & 8.25%	8% & 8.25%
Expected salary increase rate	5% & 7%	5% & 7%
Expected rate of return on scheme assets	9.3% , 10% & 8%	9% , 9.3% & 8%
Withdrawal rates	1.5%	1.5%
Mortality rates	LIC (1994-96) Ultimate Table	LIC (1994-96) Ultimate Table

The estimates of future salary increases considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Experience adjustment

(₹ in crore)

Particulars	2010-11	2009-10	2008-09	2007-08
Present value of commitment	(43.53)	(38.60)	(25.63)	(21.22)
Fair value of the plans	40.04	37.80	20.88	19.65
Surplus / (deficit)	(3.49)	(0.80)	(4.75)	(1.57)
Experience adjustment on plan liabilities	2.60	(0.90)	3.14	1.02
Experience adjustment on plan assets	(3.23)	3.41	(0.04)	2.05

Notes Forming Part of the Accounts (continued)

For the year ended 31st March, 2011

Schedule 19 : (continued)

The contributions expected to be made by the Group during the financial year 2011-12 are ₹ 5.19 crore.

The above information is actuarially determined.

Defined Contribution Plans:

The Group offers its employees benefits under defined contribution plans in the form of provident fund, family pension fund and annuity fund. Provident fund, family pension fund and annuity fund cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary type arrangements. While both the employees and the Group pay predetermined contributions into the provident fund and pension fund, the contribution to annuity fund are made only by the Group. The contributions are normally based on a certain proportion of the employee's salary.

A sum of ₹11.50 crore (Previous year ₹8.49 crore) has been charged to the Profit and Loss Account in this respect, the components of which are tabulated below:

(₹ in crore)

Contribution to defined contribution plans	2010-11	2009-10
Provident fund and family pension fund	7.95	6.03
Annuity fund	3.55	2.46
	11.50	8.49

14. Foreign Currency Exposures:

The year end foreign currency exposures that were not hedged by a derivative instrument or otherwise are given below.

i) Amount receivable in foreign currency on account of the following:

Particulars	2010-11		2009-10	
	₹ in crore	Fx million	₹ in crore	Fx million
Export of goods and services & Advance to Vendors	582.00	USD 130.02 JPY 2.07 Euro 0.17 SGD 0.05 GBP 0.01	239.93	USD 53.1
Bank balance	0.13	CNY 0.12 USD 0.01	0.16	CY 0.12 USD 0.02

ii) Amount payable in foreign currency on account of the following:

Particulars	2010-11		2009-10	
	₹ in crore	Fx million	₹ in crore	Fx million
Import of goods and services	494.25	USD 110.3 JPY 11.8 Euro 0.15 AUD 0.05	289.64	USD 64.1 JPY 8.0
Foreign Currency Convertible Bonds and Interest there on	988.31	USD 221.35	1,956.91	USD 433.5
Foreign Currency Loan payable and Interest there on	28.14	USD 6.3	34.76	USD 7.7

Note: Fx = Foreign currency; USD = US Dollar; JPY = Japanese Yen; CNY = Chinese Yuan;

AUD = Australian Dollar; GBP = Great Britain Pound; SGD = Singapore Dollar

15. Earnings per share:

Particulars	2010-11	2009-10
Net profit after tax (₹in crore)	4,222.45	2,629.13
Weighted average no. of equity shares	858,713,539	811,125,264
Nominal value of each equity shares	₹1	₹1
Basic earnings per share (in ₹)	49.17	32.41
Add: Expenses/ (income) to the Profit and Loss Account on account of Foreign Currency Convertible Bonds (net of tax)	58.11	(58.74)
Profit after tax for diluted earning per share	4,280.56	2,570.39
Weighted average number of shares for basic EPS	858,713,539	811,125,264
Add: Effect of potential equity shares on conversion of Foreign Currency Convertible Bonds	30,000,000	1,716,276
Weighted average number of shares for diluted earning per share	888,713,539	812,841,540
Diluted earning per share (in ₹)	48.17	31.62

16. Related party information:

Related party information as required by AS 18 is given below:

A. Names of the related parties and their relationships:

i) Holding Companies:

- Finsider International Company Limited	Holding Company
- Richter Holding Limited - Westglobe Limited	Holding Companies of Finsider International Company Limited
- Vedanta Resources Plc	Ultimate Holding Company

ii) Fellow Subsidiaries:

With whom transactions have taken place during the year

- Bharat Aluminum Company Limited
- Hindustan Zinc Limited
- Konkola Copper Mines
- The Madras Aluminum Company Limited
- Sterlite Industries (India) Limited
- Sterlite Iron & Steel Company Limited
- Sterlite Technologies Limited
- Twin Star Holdings Limited
- Vedanta Aluminum Limited
- Vizag general Berth Cargo Private Limited

iii) Jointly Controlled Entities:

- Goa Maritime Private Limited

iv) Details of Key Management Personnel:

Executive directors

- Mr. P. K. Mukherjee
- Mr. A. K. Rai
- Mr. A. Pradhan
- Mr. Pramod Unde
- Mr. H. P. U. K. Nair (Retired on 01.10.2009)
- Mr. M. D. Phal (Retired on 30.04.2009)

v) Enterprise in which significant influence is exercised by Key Management Personnel:

- Sesa Community Development Foundation

Notes Forming Part of the Accounts (continued)

For the year ended 31st March, 2011

Schedule 19 : (continued)

B. Transactions with related parties:

a) Details relating to parties referred to in items A (i) and (ii) above:

(₹ in crore)

Name of Related Party	Nature of Transaction	Holding Companies	Fellow Subsidiaries
1) Sales and Services			
Bharat Aluminium Company Limited	Services rendered	- (-)	0.001 (-)
Hindustan Zinc Limited	Sale of Metallurgical Coke and services rendered	- (-)	0.74 (1.08)
Konkola Copper Mines	Services rendered	- (-)	0.07 (-)
The Madras Aluminium Company Limited	Services rendered	- (-)	0.03 (-)
Sterlite Industries (I) Limited	Sale of Pig Iron and services rendered	- (-)	7.08 (3.52)
Sterlite Iron and Steel Company Limited	Interest on Inter corporate deposit	- (-)	0.90 (-)
Vedanta Aluminum Limited	Interest on Inter corporate deposit	- (-)	90.14 (95.21)
Vizag General Berth Cargo Pvt. Limited	Services rendered	- (-)	0.04 (-)
2) Purchase and Other services			
Bharat Aluminum Co. Limited	Administration expenses	- (-)	0.01 (-)
Finsider International Co. Limited	Dividend remittance	130.49 (90.34)	- (-)
Hindustan Zinc Limited	Administration expenses	- (-)	0.63 (0.13)
The Madras Aluminum Co. Limited	Administration expenses	- (-)	0.003 (-)
Sterlite Industries Limited	Administration expenses	- (-)	13.19 (10.36)
Sterlite Technologies Limited	Administration expenses	- (-)	0.02 (0.14)
Talwandi Sabo Power Limited	Administration expenses	- (-)	- (0.03)
Twin Star Holdings Limited	Dividend remittance	10.81 (-)	- (-)
Vedanta Resources Plc.	Administration expenses	5.86 (5.34)	- (-)
Vedanta Aluminum Limited	Administration expenses	- (-)	2.56 (1.25)
West Globe Limited	Dividend remittance	14.41 (3.72)	- (-)

Name of Related Party	Holding Companies	Fellow Subsidiaries
3) Inter Corporate Deposits		
Sterlite Iron & Steel Company Limited	-	26.71 (-)
Vedanta Aluminium Limited	- (-)	1,000.00 (1,000.00)
4) Preferential allotment of equity of shares		
Twin Star Holdings Limited	- (-)	- (537.24)
5) Bad Debts Written Off	- (-)	- (-)
6) Outstanding receivables/payables (-)		
Hindustan Zinc Limited	- (-)	-0.01 (-0.02)
Sterlite Industries (I) Limited	- (-)	-1.50 (-1.11)
Sterlite Iron and Steel Company Limited	- (-)	0.90 (-)
Sterlite Technologies Limited	- (-)	- (-0.01)
Vedanta Aluminum Limited	- (-)	-0.52 (-0.64)
Vedanta Resources Plc.	-7.46 (-6.45)	- (-)

Figures in brackets relate to previous year

b) Details relating to persons referred to in item 1(iv) above:

(₹ in crore)

Particulars	2010-11	2009-10
i) Remuneration [Executive Directors]		
Mr. P. K. Mukherjee	2.41	1.73
Mr. A. K. Rai	1.29	1.10
Mr. A. Pradhan	1.00	0.86
Mr. H. P. U .K. Nair (Retired on 01.10.2009)	0.15	0.76
Mr. M.D. Phal (Retired on 30.04.2009)	-	0.34
Mr. Pramod Unde	1.30	0.41
Total	6.15	5.20
ii) Sale of Assets		
Mr. H. P. U .K. Nair	-	0.04
Mr. M. D. Phal	-	0.04
(iii) Outstanding receivables/(payables)		
Mr. P. K. Mukherjee	(0.74)	(0.56)

Notes Forming Part of the Accounts (continued)

For the year ended 31st March, 2011

Schedule 19 : (continued)

c) Details relating to persons referred to in item A (v) above

(₹ in crore)

Particulars	2010-11	2009-10
Donation	3.29	3.53
Recovery – rent and electricity charges	-	0.02

d) Additional information required as per the Listing Agreement:

(₹ in crore)

Particulars	2010-11		2009-10	
	Outstanding as at 31st March, 2011	Maximum amount outstanding during the year	Outstanding as at 31st March, 2010	Maximum amount outstanding during the year
Inter-corporate deposits – Dues from fellow subsidiary				
Sterlite Iron & Steel Company Limited	26.71*	27.61	-	-
Vedanta Aluminum Limited	1,000.00**	1,000.00	1,000.00	1,000.00

* Inter-corporate deposits have been placed at an interest rate of 8%.

** Inter-corporate deposits have been placed at an interest rate of 8% from April 2010 to September 2010, 9% from October 2010 to December 2010 & 11% p.a. from January 2011 to March 2011 and are secured against a corporate guarantee from Vedanta Resources Plc., the ultimate holding company. As no cash and cash equivalents were involved in the roll-over of this Inter-corporate deposit, the same has been excluded from the Cash flow statement.

17. Disclosure regarding jointly controlled assets – MV Goan Pride

(₹ in crore)

Particulars	2010-11	2009-10
Jointly controlled assets - Net Book Value	31.46	34.66
Liabilities	18.75	25.28
Expenses incurred	29.73	23.07
Income recognised	19.44	11.60

18. Segment Information

As required by Accounting Standard No. 17 on Segment Reporting

i) **The Company is collectively organised into three main business segments namely:**
- Iron Ore
- Metallurgical coke
- Pig iron

Segments have been identified and reported taking into account the nature of the product and services, the organisation structure and internal financial reporting system.

ii) **Information based on the Primary Segment (Business Segment)**

(₹ in crore)

Particulars	Iron Ore	Metallurgical Coke	Pig Iron	Unallocated	Total
Revenue					
- Sales / Income from Operations (net of duties and ocean freight)	8,586.72 (5,234.55)	506.37 (384.35)	673.81 (551.40)		9,766.90 (6,170.30)
- Other Income	6.97 (6.48)	0.14 (0.17)	0.39 (0.43)		7.50 (7.08)
	8,593.69 (5,241.03)	506.51 (384.52)	674.20 (551.83)		9,774.40 (6,177.38)

(₹ in crore)

Particulars	Iron Ore	Metallurgical Coke	Pig Iron	Unallocated	Total
Less : Intersegment Revenue	207.13 (71.34)	354.78 (240.70)	0.05 (0.14)		561.96 (312.18)
Net Revenue from operations	8,386.56 (5,169.69)	151.73 (143.82)	674.15 (551.69)		9,212.44 (5,865.20)
Add : Interest Income				173.36 (142.85)	173.36 (142.85)
Add : Dividend				297.05 (79.00)	297.05 (79.00)
Add : Foreign Exchange Gain on Foreign Currency Convertible Bonds				- (121.91)	- (121.91)
Add : Profit on sale of Investment				62.16 (75.30)	62.16 (75.30)
Enterprise revenue					9,745.01 (6,284.26)
Segment Result before tax, interest,dividend and other non-recurring/unallocable income	4,883.93 (2,925.91)	89.01 (34.09)	141.08 (117.25)		5,114.02 (3,077.25)
Less: Interest Expenses				38.12 (51.72)	38.12 (51.72)
Less : Foreign Exchange Loss on Foreign Currency Convertible Bonds				48.78 (-)	48.78 (-)
Add : Interest Income				173.36 (142.85)	173.36 (142.85)
Add : Dividend Income				297.05 (79.00)	297.05 (79.00)
Add : Foreign Exchange Gain on Foreign Currency Convertible Bonds				- (121.91)	- (121.91)
Add : Profit on sale of Investment				62.16 (75.30)	62.16 (75.30)
Profit before Taxation					5,559.69 (3,444.59)
Segment Assets	4,415.18 (2,891.02)	384.65 (227.18)	279.35 (203.52)	10,524.50 (7,914.85)	15,603.68 (11,236.57)
Segment Liabilities	898.76 (689.59)	358.42 (168.01)	53.19 (32.65)	1,482.88 (2,385.32)	2,793.25 (3,275.57)
Capital Expenditure	966.54 (141.58)	3.79 (3.42)	18.35 (4.52)	- (-)	988.68 (149.52)
Depreciation	64.93 (57.29)	23.15 (9.31)	8.30 (7.90)	- (-)	96.38 (74.50)
Significant Non-Cash Expenses other than depreciation	0.12 (0.61)	0.07 (9.03)	- (-)	48.78 (-)	48.97 (9.64)

(Figures in bracket relate to previous year)

iii) Information based on the Secondary Segment (Geographical Segments):

(₹ in crore)

Particulars	2010-11	2009-10
Segment Revenue:		
India	1,261.06	1,031.26
Outside India	7,951.38	5,146.12
Segment Assets:		
India	4,496.75	1,331.82
Outside India	582.43	243.48

Notes Forming Part of the Accounts (continued)

For the year ended 31st March, 2011

Schedule 19 : (continued)

(₹ in crore)

Particulars	2010-11	2009-10
Capital Expenditure:		
India	988.68	136.11
Outside India	-	-

19. The ultimate holding company viz. Vedanta Resources Plc, ("Vedanta") offers equity-based award plans to its employees, officers and directors based on the performance conditions as set out in the scheme, duly approved by the board of directors and by the shareholders of Vedanta on 24th December, 2003 and 20th January, 2004 respectively. The performance condition attached to outstanding awards under the Long Term Incentive Plan (LTIP) is that of Vedanta's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three year period or such period as the Board of Vedanta may determine with the performance of the companies as defined in the scheme from the date of grant. Under this scheme, initial awards under the LTIP were granted in February 2004 with further awards being made in June 2004, November 2004, February 2006, November 2007, February 2009, August 2009 and January 2010.

The fair values were calculated using a Monte Carlo model with suitable modifications to allow for the specific performance conditions of the LTIP. The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends and the risk free rate of interest. A progressive dividend growth policy is assumed in all fair value calculations. Expected volatility has been calculated using historical share prices over the period to date of grant that is commensurate with the performance period of the option. The share prices of the mining companies in the Adapted Comparator Group have been modeled based on historical price movements over the period to date of grant which is also commensurate with the performance period for the option. The history of share prices is used to determine the volatility and correlation of share prices for the companies in the Adapted Comparator Group and is needed for the Monte Carlo simulation of their future TSR performance relative to the Company's TSR performance. All options are assumed to be exercised six weeks after vesting.

The awards are indexed to and settled in Vedanta shares. The awards provide for a fixed exercise price denominated in Vedanta's functional currency at 10 US cents per share. Vedanta is obligated to issue the shares. On the grant date, fair value of the awards is recovered by Vedanta from the Group to the extent the awardees have been deployed at the Group.

Accordingly, Vedanta, on the basis of fair value of options granted to such employees charged a proportionate cost to the Group in the amount of ₹5.86 crores (Previous year ₹5.34 crores) which is charged to the Profit and Loss Account under the head "Salaries, Wages, bonus and allowances" in Schedule 16 to the financial statements.

Vedanta has obtained an overall valuation of the options granted by it to the awardees. Information related to options granted to the eligible resources deployed at the Group is not readily available and accordingly the movements in options have not been disclosed.

20. "Other current assets" comprise interest accrued on term deposits.

21. Previous year's figures have been regrouped and rearranged wherever necessary to conform to this year's classification.

For and on behalf of the Board of Directors

P.K. Mukherjee	**A.K. Rai**	**C.D. Chitnis**
Managing Director	Director	Company Secretary

Place: Panaji - Goa
Dated: 25th April, 2011

Notice of Annual General Meeting

Notice is hereby given that the Forty-Sixth Annual General Meeting of **Sesa Goa Limited** will be held on Thursday, 21st July, 2011 at 10.00 A.M. at Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa, to transact the following business:

Ordinary business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.

2. To declare dividend.

3. To appoint a director in place of Mr. Ashok Kini who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint a director in place of Mr. P.G. Kakodkar who retires by rotation and being eligible offers himself for re-appointment.

5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

   "RESOLVED that Mr. J.P. Singh , who was appointed as an Additional Director by the Board of Directors at their meeting held on 19th July, 2010 and who ceases to hold office at this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and who is eligible for appointment and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of a director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

   "RESOLVED that pursuant to Sections 309(4) and 310 of the Companies Act, 1956, authority be and is hereby accorded to the Board of Directors to decide payment of commission to the Non-Wholetime Directors of the Company, not being Managing/Wholetime Directors (in such manner as the Board of Directors may from time to time determine) upto Rupees 75 lakhs per year computed in the manner laid down in Section 198(1) of the Companies Act, 1956."

By Order of the Board

SESA GOA LIMITED

C.D. CHITNIS

Secretary & AVP-Legal

Place : Panaji - Goa

Dated: 25th April, 2011

NOTES:

A) The relative Explanatory Statement as required by Section 173 of the Companies Act, 1956, in regard to the Special Business entered under Items 6 & 7 is annexed hereto.

B) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

C) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 5th July, 2011 to Thursday, 7th July, 2011 (both days inclusive).

D) The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between 21st July, 2011 and 19th August, 2011 to those members whose names shall appear on the Company's Register of Members on Monday 4th July, 2011; in respect of the shares held in dematerialised form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

E) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.

F) Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/ Registrars and Transfer Agents, M/s. Karvy Computershare Private Limited.

G) In accordance with the provisions of Section 205A (5) read with Section 205C of the Companies Act, 1956, the amount of dividend for the Financial Year ended 31st March, 2003 and interim dividend for the financial year ended 31st March, 2004 which remained unpaid and unclaimed for a period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company has been transferred to the Investor Education and Protection Fund established by the Central Government.

H) Pursuant to the provisions of Section 205A (5) read with Section 205C of the Companies Act, 1956 the amount of final dividend for the Financial Year ended 31st March, 2004 and dividend for the financial year ended 31st March, 2004 in respect of erspwhile SIL, and thereafter which remain unpaid and unclaimed for a period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund established by the Central Government and no claim shall lie against the said Fund or the Company for the amounts of dividend so transferred to the said Fund. Shareholders, who have not yet encashed their final dividend warrants for the Financial Year ended 31st March, 2004 or any subsequent financial years are therefore requested to make their claim to the Company without delay.

I) Members are requested to bring their Admission Slips along with copy of the Report and Accounts to the Annual General Meeting.

J) Members, who wish to obtain any information on the Company or view the accounts for the Financial Year ended 31st March, 2011 may visit the Company's corporate website www.sesagoa.com or send their queries atleast 10 days before the Annual General Meeting to the Company Secretary at the Registered Office of the Company.

K) The information as required to be provided under the Listing Agreement with the Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed is given hereunder:

i) Name : Mr. Ashok Kini
Age : 65
Qualifications : B.Sc/M.A./C.A.I.I.B (Certified Associate, Indian Institute of Bankers)
Expertise : Retired as MD of State Bank of India in December 2005 after serving the bank for 38 years in various capacities. His areas of experties include Information Technology, Retail Banking, Business Process Re-engineering and Change Management.
Shareholding : Nil
Other Directorships / Committee Memberships :

Sr. No.	Name of the Company	Position held	Committee Type	Membership Status
1.	IndusInd Bank Limited	Director	Audit	Member
2.	Gulf Oil Corporation Limited	Director	Audit	Member
3.	UTI Trustee Co. Pvt. Ltd	Director	Audit	Member
4.	Financial Inclusion Network and Operations Limited.	Director	Audit	Chairman

ii) Name : Mr. P. G. Kakodkar
Age : 74
Qualifications : MA (Economics)
Expertise : Over 40 years of experience in State Bank of India (SBI), Retired as Chairman of SBI. He is currently IT & Banking Consultant.
Shareholding : Nil
Other Directorships / Committee Memberships :

Sr. No.	Name of the Company	Position held	Committee Type	Membership Status
1.	Goa Carbon Limited	Director	Audit Remuneration	Member
2	Uttam Galva Steel Ltd.	Director	Audit	Member
3	Financial Technologies (India) Ltd.	Director	Audit	Member
4	Fomento Resorts & Hotels Ltd.	Director		
5	Centrum Finance Ltd.	Director		
6	Auditime Information Systems (I) Private Limited.	Director		
7	Multi Commodity Exchange of India Ltd.	Director		
8	IBX Forex Ltd.	Director		
9	Anand Rathi Financial Services Ltd.	Director		

iii) Name : Mr. J.P. Singh
Age : 63
Qualifications : M.A, MPA (Harvard), IAS Retd. (Rajasthan 1972)
Expertise : Former Secretary in Ministry of Finance (DOD) and Ministry of Mines, Special Secretary labour and has over 36 years of executive experience in key positions in the state and union government
Shareholding : Nil
Other Directorships / Committee Memberships :

Sr. No.	Name of the Company	Position held	Committee Type	Membership Status
1.	BEML Limited	Director	Audit	Chairman

Annexure to Notice

Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956

ITEM NO. 6

Mr. J. P. Singh has been appointed as an Additional Director by the Board of Directors, at their meeting held on 19th July, 2010 and he holds the office upto this Annual General Meeting.

Mr. J. P. Singh is M.A, MPA (Harvard), IAS Retd. (Rajasthan 1972) and is former Secretary in Ministry of Finance (DOD) and Ministry of Mines, Special Secretary Labour and has over 36 years of executive experience in key positions in the state and union government. Your Directors are of the view that his continuation on the Board will enable the Company to gain from his considerable experience and expertise, and therefore recommend for approval of the resolution contained in Item no 6 of the notice convening the Annual General Meeting.

The Company has received a Notice in writing from a member under Section 257 of the Companies Act, 1956 alongwith a deposit of ₹500/- proposing the candidature of Mr. J.P. Singh for the office of Director. The Board recommends his appointment.

No Director of the Company other than Mr. J.P. Singh is interested in the Resolution.

ITEM NO. 7

Section 309(4) of the Companies Act, 1956 provides that a Director who is neither in the wholetime employment of the Company nor a Managing Director may be paid remuneration by way of commission, if the Company by special resolution, authorises such payment.

The Shareholders at the Annual General Meeting held on 20th July, 2009, approved payment of commission to the Non-Wholetime Directors of the Company, not being Managing/Wholetime Directors (in such manner as the Board of Directors may from time to time determine) upto ₹ 50 lakhs per year. The shareholders have witnessed the growth of the Company to which the contributions of Non Executive Directors has been vital. The recent trend of globalisation of business, corporate governance, risk assessment requirement and international competition has made the role of Non Executive Directors more imperative. It is, therefore, recommended to approve payment of commission upto ₹ 75 lakhs in addition to the fees for attending the meetings of the Board for period of three years with effect from 1st April, 2011.

All the Directors of the Company other than Managing/Wholetime Directors are deemed to be interested in the Resolution to the extent the commission is payable to them in accordance with the proposed resolution.

By Order of the Board

SESA GOA LIMITED

C.D. CHITNIS

Secretary & AVP-Legal

Place : Panaji - Goa

Dated: 25th April, 2011

Sesa Goa Limited

Regd. Office:
'Sesa Ghor',
20 EDC Complex,
Patto, Panaji,
Goa - 403 001

ATTENDANCE SLIP

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

(For demat holding)		(For physical holding)	
DP ID		Folio No.	
Client ID		No. of Share(s) held	

I hereby record my presence at the 46th ANNUAL GENERAL MEETING of the Company on Thursday, 21st July, 2011 at 10.00 a.m. at Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa.

Name of the equity shareholder/ proxy/ representative ....

Signature of the equity shareholder/ proxy/ representative ....

Note: Shareholders are requested to bring the Attendance Slip with them when they come to the meeting and hand it over at the gate after affixing their signature on it.

Sesa Goa Limited

Regd. Office:
'Sesa Ghor',
20 EDC Complex,
Patto, Panaji,
Goa - 403 001

PROXY FORM

I/We ....
.... of .... being a member/members of SESA GOA LIMITED, hereby appoint ....
.... of...of failing him .... of
or failing him.. of ....
as my/our proxy to vote for me/us and on my/our behalf at the 46th ANNUAL GENERAL MEETING of the Company on Thursday, 21st July, 2011 at 10.00 a.m. at Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa and at any adjournment thereof.

Signed this... day of .... 2011.

Affix ₹. 1/- Revenue Stamp

Folio No./DP ID and Client ID:

Address:

Signature

Notes:
1. The proxy need NOT be a member.
2. The proxy form duly signed across revenue stamp should be submitted to the Company's Registered Office at least 48 hours before the time of the meeting.

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the members feedback form attached to the Annual Report and register the same with Karvy Computershare Private Limited. Postage for sending the feedback form will be borne by the Company.

Members Feedback Form 2010-2011

Name: .... Email Id: ....

Address: Phone No:

(with STD code)

DP ID: ....

Client ID: ....

Folio No.:
(in case of Physical Holding)

Number of Equity Shares Held:
(the period for which held) Signature of Member

			Excellent	Very Good	Good	Satisfactory	Needs improvement
1	Information in Annual Report:						
a.	Directors' Report and Management's Discussion and Analysis	Contents					
		Presentation					
b.	Report on Corporate Governance	Contents					
		Presentation					
c.	Quality of Financial and non-financial information in the Annual Report	Contents					
		Presentation					
2.	Information on Company's Website	Contents					
		Presentation					
3.	Conduct of Annual General Meeting						
4.	Extent of satisfaction with the responses received from the Secretarial Department of the Company						
5.	Extent of Satisfaction with Karvy Computershare Private Limited's services in the following activities:						
a.	Demat/Remat of Shares						
b.	Transfer of Shares						
c.	Transmission of Shares						
d.	Sub-Division/ Consolidation/ Renewal of share certificates						
e.	Issue of duplicate share certificates						
f.	Disbursement of dividend - Timely receipt of Dividend Warrants/payment through ECS						
g.	Recording of Nomination/ Bank Mandate/ NECS/ Change of address details						
h.	Timely receipt of Annual Report						
i.	Turnaround time for response to shareholder Query						
j.	Reminders before transfer of unclaimed dividends to Investor Education and Protection Fund						
k.	Quality of Response						
l.	Investor Services						
m.	Overall rating						
	Views/Suggestions for improvement, if any ...						
	Members are requested to send this feedback form to the address given overleaf						

Corporate Information

Board of Directors:
P. G. Kakodkar

Kuldip K. Kaura

Jagdish P. Singh

Gurudas D. Kamat

Ashok Kini

A. Pradhan
Whole Time Director

A. K. Rai
Whole Time Director

P. K. Mukherjee
Managing Director

Secretary:
C. D. Chitnis

Auditors:
M/s. Deloitte Haskins & Sells
Chartered Accountants,
Mumbai

Registered Office:
Sesa Goa Limited
Sesa Ghor, 20 EDC Complex,
Patto, Panaji,
Goa - 403 001,
INDIA.

Transfer Agents
Karvy Computershare Private Limited,
Plot No. 17-24, Vittal Rao Nagar,
Madhapar, Hyderabad – 500 081

Phone: 040 23420815-28
Fax: 040 23420814
Email: mailmanager@karvy.com
einward.ris@karvy.com
www.karvycomputershare.com

Bankers:
Canara Bank
State Bank of India
ICICI Bank Limited

Mining and other establishments:
In the states of Goa and Karnataka of India

SESA GROUP

Sesa Goa Limited
Sesa Ghor, 20 EDC Complex,
Patto, Panaji,
Goa - 403 001, INDIA.
Tel.: +91 832 2460 600
www.sesagoa.com

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ADDRESSEE

BUSINESS REPLY ENVELOPE

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STAMP
NECESSARY
IF POSTED
IN INDIA

PERMIT NO: HDC/B-735
CYBERABAD POST OFFICE
MADHAPUR,
HYDERABAD - 500 081

KARVY COMPUTERSHARE PVT. LTD.,
Unit: Sesa Goa Limited
Plot No.17-24, Vittal Rao Nagar,
Madhapur, Hyderabad -500 081.
INDIA.