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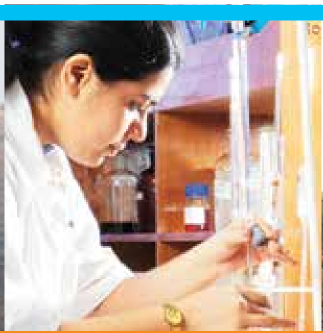
SESA GROUP

SESA GOA LIMITED



SESA GOA LIMITED

ANNUAL REPORT 2013

Empowering **Vision**
Enduring **Value**

Our Vision

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

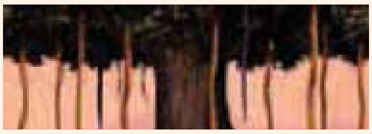
Our Mission

- 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
- To uphold human rights in the workplace and communities surrounding our operating areas

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 on a sustainable basis. 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 achieving 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.

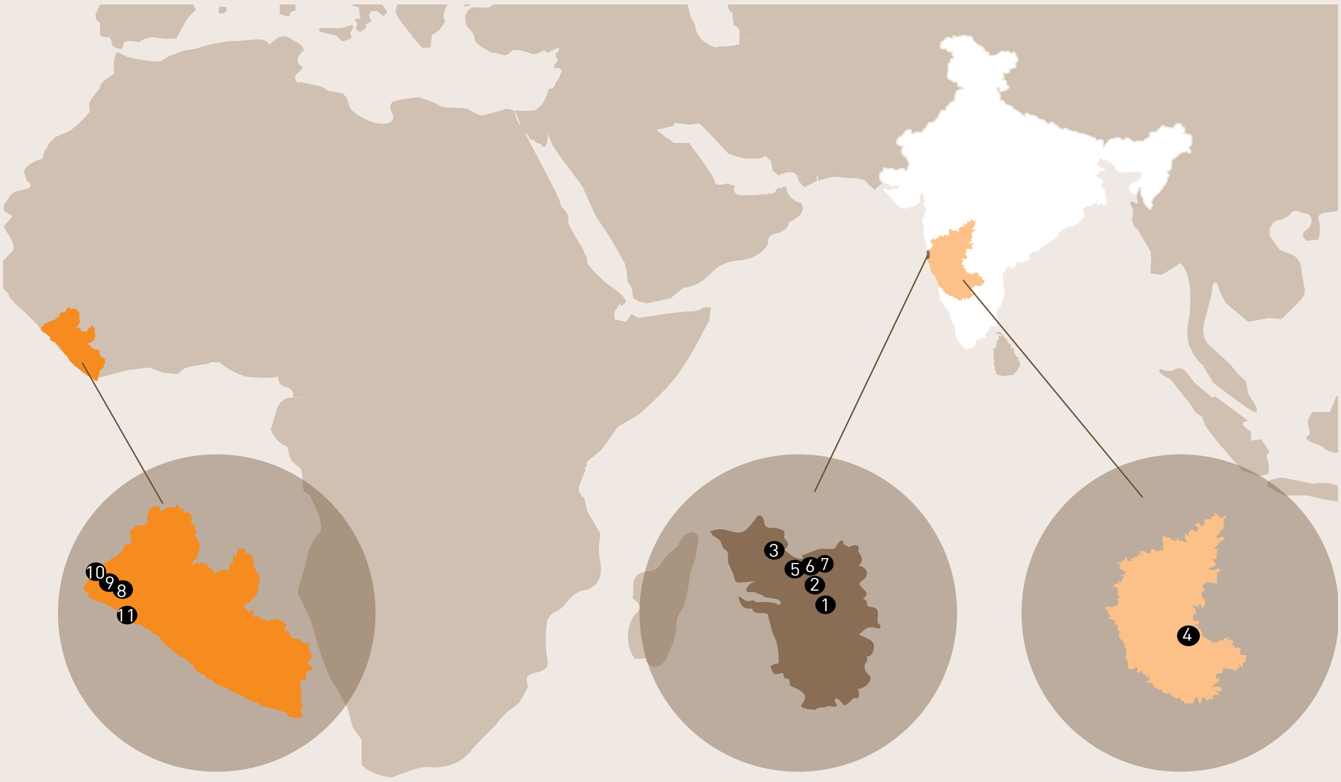
Our Operations

Who We Are

Sesa Goa Limited is India's largest producer and exporter of iron ore in the private sector (except in FY2013) and a subsidiary of Vedanta Resources Plc., the London listed FTSE 100 diversified metals and mining major. Sesa also produces pig iron and metallurgical coke and provides proprietary technology in met coke manufacturing. Sesa is also developing the Western Cluster iron ore project in Liberia. Sesa holds 20% interest in Cairn India Limited, India's second largest private sector upstream oil company (by reserves).

With a commitment to create a world-class enterprise through high quality assets and competitive costs of production, we pursue our consistent strategy of owning and operating low-cost, expandable, upstream assets and delivering more predictable business performance over time which, in turn, underpins the creation of value for our shareholders, customers, employees and, importantly, the communities in which we operate.

Where We Operate



Our operations are located in India and Liberia.

India

Iron Ore Operations

1. Codli Mines, Goa
2. Sonshi / Surla Mines, Goa
3. Bicholim Mines, Goa
4. Chitradurga Mine, Karnataka

Pig Iron & Met Coke Operations

5. Pig Iron Plant, Goa
6. Met Coke Plant, Goa
7. Power Plant, Goa

Liberia

Iron Ore Project

8. Bomi Hills
9. Bea Mountain
10. Mano River
11. Monrovia Port

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Our vision empowers us to attain higher levels of performance in operations, employee safety and community initiatives to create enduring stakeholder value.

For more information visit us at www.sesagoa.com

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Highlights

Financials

- Revenue ₹ 2,554 crore
- PBDT of ₹ 23 crore
- PAT of ₹ 2,280 crore, incl. share of profit from Associate
- Basic EPS of ₹ 26.24
- Acquired balance 49% equity in WCL for $ 33.5 mn

Business

- Exploration success – net addition of 59 mt of R&R in India taking the total R&R to 433 mt, equivalent to a mine life of +20 years
- Large initial JORC resources for Liberia announced – 966 mt; significant upside anticipated

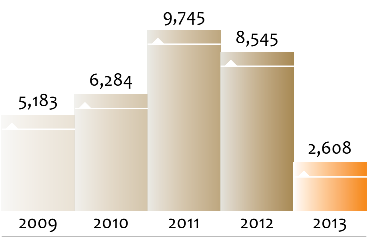
Consolidated Financial Summary

in ₹ crore, except as stated

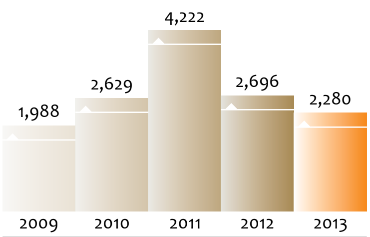
	2013	2012
Net Income from operations	2,554	8,310
Cash Profit (PBDT)	23	3,235
Net Profit (PAT)	(131)	2,108
Net Profit (PAT) Incl. Associate Income*	2,280	2,696
Earnings Per Share (₹)		
Basic	26.24	31.01
Diluted	26.24	31.01

Key Performance Indicators

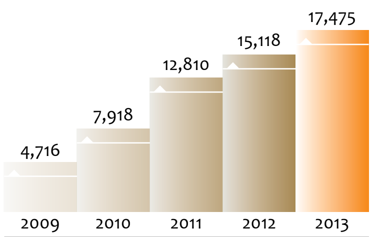
Total Revenue
₹ in cr



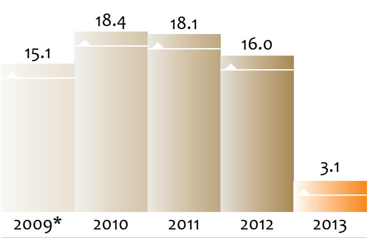
Profit After Tax
₹ in cr



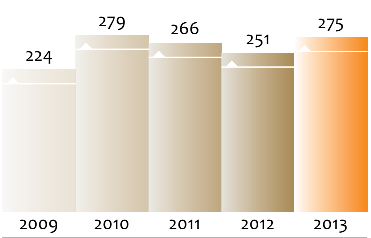
Net Worth
₹ in cr



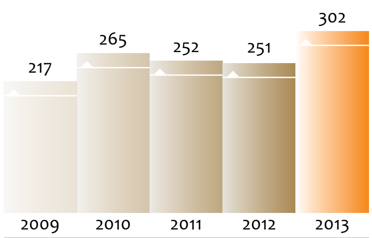
Iron Ore Sales
(mt)



Pig Iron Sales
(kt)



Met Coke Sales
(kt)



*2009 sales volume of iron ore is in wmt

Year in Review

Expansion

Sesa successfully commissioned its expansion project for the pig iron and met coke manufacturing facilities. With the commissioning of the 450m³ blast furnace and 2 batteries of 36 coke ovens each, its pig iron production capacity has increased to 625 ktpa and met coke production to 560 ktpa. It has also successfully commissioned the associated 0.8 mtpa Sinter Plant and 30 MW waste gas based Power Plant.

Western Cluster

Sesa Goa Limited acquired the balance 49% stake in Western Cluster Limited in Liberia, taking its interest in the project to 100%. WCL currently has JORC compliant Reserves and Resources (R&R) of about a billion tonnes. With only a fraction of the lease area currently explored, a significant upside is expected for the project.

Sesa Sterlite

In February 2012, the intended merger of Sterlite Industries (India) Limited, and other associated companies, with Sesa Goa Limited was announced. This merger, which will foster the creation of one of the world's largest diversified natural resources companies, has received shareholder and other regulatory approvals during the year. The merger has also secured the approval from the High Court of Mumbai in Goa and is awaiting the approval from the High Court of Madras where the hearings have been completed.

Chief Executive's Statement

Dear Shareholders,

2012-13 was a year of unprecedented challenges for your Company. As I had said earlier, in 2011-12, the Indian iron ore mining industry was adversely affected by regulatory and environmental concerns. Debate on illegal mining practices occupied centre stage with heightened activism driving government action and judicial intervention leading to a complete halt in mining. The business environment for the industry deteriorated during 2012-13. Sesa's Karnataka mining operations were suspended due to ban on mining since 2011. In September / October 2012, the Goa mining operations came to a complete halt by an abrupt imposition of ban on mineral extraction and transportation by the State Government and subsequently by the Supreme Court. With both Karnataka and Goa operations suspended, Sesa's entire iron ore mining business was at a standstill.

Sesa and its teams are working tirelessly to mitigate impact, to ensure an early resolution of the impasse while continuing to respond proactively to all agencies. Sesa enhanced its engagement with stakeholders during the year to dispel myths and to reinforce and reiterate its responsible mining practices. Notwithstanding these challenges, Sesa made significant progress in its journey towards becoming a diversified global resource champion.

Sesa increased its equity in WCL to 100%, acquiring the remaining 49% in December 2012. This consolidates our presence in Liberia and reaffirms our faith in the significant potential for the Western Cluster Project. With a large resource potential and its proximity to the port, it is one of the most exciting upcoming iron ore projects. Both the people of Liberia and our team are looking forward to the start of Phase I in the next financial year, which will be the first step in building a global iron ore mining giant.

The merger of Sterlite Industries (India) Limited (and other associated companies), announced last year through two schemes, has received approval of the companies' shareholders, Stock Exchanges in India, Competition Commission of India, Foreign Investment Promotion Board and Supreme Court of Mauritius. While the Goa Bench of the High Court of Bombay has accorded its approval, the scheme awaits approval of the High Court of Madras, where hearings are over and the order is awaited.

The Value Addition Business achieved a new landmark in August 2012 when the new 450m^3 blast furnace was commissioned, enhancing pig iron production from 0.25 to 0.625 mtpa, making us the largest low phosphorous pig iron facility in India. A 0.28 mtpa metallurgical coke plant, a 0.8 mtpa sinter plant and a 30 MW power plant were also commissioned as part of the project.

Despite adverse events, Sesa looks ahead to a hopeful early resolution of challenges. We continue to further our systemic robustness and strengthen our processes to handle future challenges. In 2012, Sesa became the 1st Indian mining company to implement automation using RFID technology, wherein RFID tags on trucks register movement across operations in Goa and Karnataka and link truck information with forest passes and Dept. of Mining & Geology permits (in Karnataka), providing assurance and control. Sesa received the Supply Chain Technology Advancement award at the 2nd Asia Manufacturing Supply Chain Summit for this implementation.

Business Environment

Global GDP growth rate is estimated to be 3.2% in 2012 (3.9% in 2011). China and India exhibited slower growth in 2012, than previous years, of about 7.9% and 4.5% respectively. World crude steel production reached a record 1,548 mt in 2012, up by 1.2%, driven by growth in Asia and North America. World trade in iron ore increased in 2012 by 3.7% to 1.12 billion tonnes, despite decrease from India.

As indicated last year, albeit temporary glitches, the emerging market super cycle theme remains unchanged. Despite emerging markets exhibiting slower growth, and a decade of trying to catch up with developed economies, with both China and India continuing in their commodity-intensive urbanisation, the gap is expected to continue for at least two more decades. Temporary slowdowns in growth and dips in infrastructure investment will only extend the investment horizon. The scale of urbanisation in China, urbanisation potential of India, and potential of other developing countries, with significant populations, makes the manifold increase in metal demand and absolute metal consumption inevitable.

Given this long-term robustness of demand, in the iron ore demand-supply equation, the risk emanates on the supply side. Supply forecasts continue to remain complex owing to disruptions due to regulatory concerns as in India, weather as in Australian ports, cost inflations, grade depletion and large uncertainty of project timelines.

Due to recent dip in iron ore prices and project cost blowouts, many new projects either failed to meet original forecasts or continue to remain on the drawing board. However, the big four iron ore players, have enhanced, or are in the process of expanding, their production levels in the light of favourable market conditions and, as per forecasts, are expected to lead to a surplus market in the long term.

Performance

Faced with extraordinary challenges, volumes have significantly declined during the year. Iron ore production and sales were 3.7 and 3.1 mt in 2012-13 compared to 13.8 and 16.0 mt in the previous year. Gross sales revenue from iron ore decreased by 77%, from ₹ 7,516 crore in 2011-12 to ₹ 1,697 crore in 2012-13

Pig iron and met coke production increased by 24% and 29% to 307,775 and 331,000 tonnes respectively due to new capacities commissioned in Q2 of FY2013. The pig iron business' sales volume increased by 10% from 250,571 tonnes in 2011-12 to 275,119 tonnes in 2012-13, while sales revenue grew by 7% to ₹ 784 crore in 2012-13 from 730 crore in 2011-12. Sales volume of met coke increased by 20% to 301,889 tonnes in 2012-13 from 251,264 tonnes in 2011-12. Gross sales revenue remained even at ₹ 558 crore in 2012-13 as against ₹ 551 crore in 2011-12.

Sesa's net income from operations fell by 69% from ₹ 8,310 crore in 2011-12 to ₹ 2,554 crore in 2012-13. Operating cash profit (PBDT) declined by 99% to ₹ 23 crore from ₹ 3,235 crore in 2011-12. PAT (including associate income) decreased 15% from ₹ 2,696 crore in 2011-12 to ₹ 2,280 crore in 2012-13, and diluted earnings per share were ₹ 26.24 in 2012-13.

Growth

Despite the tough climate, we begin 2013-14 with renewed hope and a fresh outlook. The expansion projects in the value added business are commissioned and we have acquired the balance equity in WCL. More importantly, our drive for growth continues to be underscored by our strong performance on resource addition.

True sustainable development in the mining industry is in the continued discovery of new resources through scientific exploration and Sesa continues to be at the forefront of investment into mineral exploration. Though mining operations were restricted for a significant part of the year, consequent to which exploratory drilling too was halted, the Exploration team added 59 mt of additional resources in India during the year.

The Liberia Project progressed well during the year culminating in a JORC-compliant resource estimate of over 966 mt. Exploration is expected to continue aggressively for years to come and the indications, so far, point to a significant resource potential. The Liberia project is a very exciting growth opportunity for Sesa and we hope to commence mining at Liberia during FY2014 with the first shipment by end of FY2014. The project will be expanded in a phased manner in due course.

Sustainability

Sesa remains committed to sustainable development, which focuses on maintaining a pre-eminent position in health, safety and environment practices, and contributing to the development of communities where it operates.

Health and safety are always a priority for Sesa, and we continue to play a proactive role in providing employees a safe working environment through responsibility, training, monitoring and implementing the best safety practices across all locations.

In 2012-13, Sesa's overall Lost Time Injury Frequency Rate (LTIFR) reduced from 0.81 in 2011-12 to 0.54 per million manhours worked. I am also happy to report that, during the year, the shipbuilding, met coke, pig iron and energy divisions achieved a zero-accident record.

During the year, two unfortunate incidents of soot emissions, due to misfiring by two high capacity burners, occurred during the commissioning of the second battery of met coke expansion project. The root cause of the soot emissions was immediately addressed and corrective actions were taken in earnest. The unit's activities were suspended for about 2 months as a result of this incident.

Sesa has an integrated approach to the management of health, safety and environment systems in all its units, which are certified for ISO 9001:2008, ISO 14001: 2004 and OHSAS 18001:2007. Sesa has been certified for SA 8000 for all its units on a standalone basis.

Our community development work, through the Sesa Community Development Foundation, Mineral Foundation of Goa and other specific need-based initiatives, continues to focus on social projects in line with our overall sustainability objectives. Further details, on health, safety and environment and corporate social responsibility, are outlined in the ensuing relevant chapters.

Outlook

The longer-term business environment of the iron ore market remains stable with a gradual move towards equilibrium. Notwithstanding multiple cost and regulatory pressures, Sesa's strategic positioning as a low-cost producer, coupled with accessibility to ports and strong customer relations, remains key to mitigating downside risks and exploiting opportunities. On the cost front, royalty rates, railway and road freight and export duties are expected to continue to put pressure on the Company, while volumes would continue to be challenged by regulatory actions and hurdles in logistics. We remain confident that the industry will emerge stronger out of the current turmoil with a strict, robust and stable regulatory environment and we continue to remain optimistic of overcoming the current and any future obstacles.

The following will continue to be our strategic thrust areas for the year 2012-13.

- To be alert and ensure a state of readiness to restart efficient operations in Karnataka and Goa, whenever we are permitted to resume operations
- To identify opportunities to leverage and introduce technology to improve our performance, be it in operations, people management, knowledge management or CSR
- To better our safety record and performance and achieve / maintain standards of zero-accidents in all operations
- To strengthen proactive stakeholder relations

Corporate Governance

In 2009-10, Sesa was subjected to an investigation by the Serious Fraud Investigation Office (SFIO) of the Ministry of Corporate Affairs. In 2011, Sesa received a copy of the SFIO report, wherein certain allegations were made relating to violations under the Indian Companies Act, during 2001 to 2008. The report had recommended, inter alia, that action be taken against the directors of Sesa Goa Limited during the aforementioned period. Sesa filed representations to all concerned explaining in detail its position on the allegations and denying the allegations made in the SFIO report. Subsequently, the Union of India through the Ministry of Corporate Affairs filed three cases against Sesa Goa Limited, its erstwhile subsidiary, Sesa Industries Limited, and some of their officials. The Company is defending itself and its directors / officials against these cases. However, the Ministry has dropped all allegations of under / over invoicing of iron ore / coal and excess payment of commission.

Acknowledgement

I would like to take this opportunity to thank all our employees, my colleagues on the executive team of Sesa, the Group Management and the Board of Directors for their unwavering support. I thank our shareholders for reposing faith in our business in increasingly adverse times. Let me reassure our shareholders that we will not get bogged down by the tough environment that surrounds us today, that we are geared up to face challenges as they arise and, through our tireless collective efforts, we will continue to propel our Company forward on its path of growth.

P K Mukherjee
Managing Director

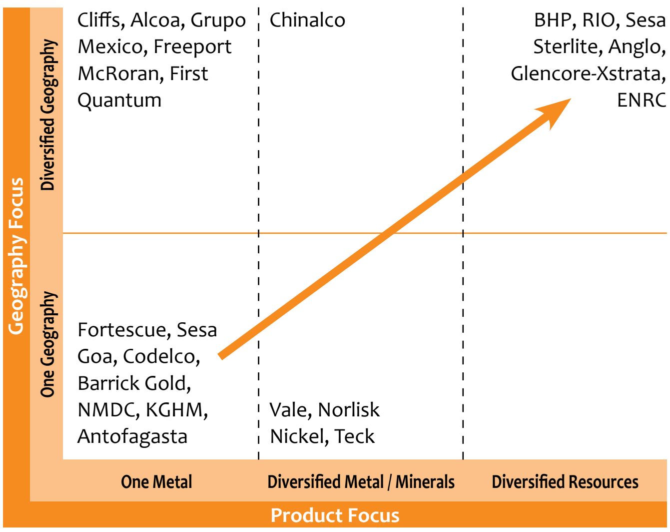
Enduring Value Creation

The cessation of mining operations in Goa and Karnataka, while having impacted contemporary operations, has accorded the opportunity to further strengthen the Company's plans and strategies for future growth.

3-Dimensional Growth: Growth, in holistic terms for any organisation, involves growth in scale, diversity and operational efficiency. Over the past few years, Sesa has taken strides towards becoming a global diversified resource major. During the past year, Sesa made significant progress in its growth plans.

In terms of scale of operations, with the acquisition of the remaining stake in WCL, the exploration success at Liberia and expansion of the value added business. In terms of diversity of commodities, with the proposed merger of Sterlite and associated companies with Sesa. In terms of operational efficiency, with further improvements in internal processes and systemic robustness, brought about with technology.

Diversity



While exploration has augmented reserves & resources in India and Liberia, ensuring long mine-life and sustainability of operations, the merger, which is in the last stages of fruition, will bring about much desired diversity in commodities and geographies. Further improvements in internal processes, with the application of technology, ensure that the Company can resume operations, whenever the current impasse is resolved, in the shortest of turnarounds, with improved operational efficiency parameters.

Large diversified mining companies at one end of the spectrum dominate the global mining landscape, with exposure to diverse commodities and diverse geographies, while at the other end are companies focused in one commodity or one geography. In an environment of increasing risk of resource nationalism, volatile commodity prices, varied supply-demand equation amongst various commodities, diversification provides for a significant reduction in risks for mining companies. Scale enables infusion of resources to employ modern technology and invest in necessary environmental initiatives thus participating in inclusive growth.

On February 25, 2012, the proposed merger of Sterlite Industries (India) Limited with Sesa Goa Limited, along with The Madras Aluminium Company Limited, Sterlite Energy Limited and Vedanta Aluminium Limited, was announced with the Company's name proposed to be changed to Sesa Sterlite Limited, to create one of the world's largest diversified natural resources company with a world-class, low-cost asset base in close proximity to high growth markets. The merged entity will have exposure to zinc-lead-silver, iron ore, oil & gas, copper, aluminium and commercial power with assets located in India, Australia, Liberia, South Africa, Namibia, Ireland and Sri Lanka.

Increased diversification is expected to reduce volatility of earnings through commodity cycles, lower cost of capital and enhance value. This will lead to significant operational, financial and corporate synergies, including economies of scale, leveraging of technical expertise, improved allocation of capital and corporate cost savings including tax efficiencies.

The merger has received approvals of the respective companies' shareholders, the Stock Exchanges in India, CCI, FIPB, Supreme Court of Mauritius and the Goa Bench of the High Court of Bombay. Hearings at the High Court of Madras have been completed and the order is awaited.

Scale

Sesa's Indian iron ore operations continue to be curtailed by regulatory restrictions. While the Karnataka operations have been stopped since August 2011, the Goa mining operations were stopped in September 2012, by the orders of the Supreme Court of India. While this has led to curtailment in exploratory drilling in India, the Company's strong focus on exploration, and its activities in Goa during the period prior to September 2012 and those at the Liberia project, has yielded significant positive results.

India

Sesa's focus on exploration has yielded another year of significant reserves and resources accretion in Goa and Karnataka, with a net addition of 59 mt of reserves and resources during the year. Driven by the strong focus on resource addition over the last 5 years, the total reserves and resources in Goa (including mines of erstwhile Dempo) and Karnataka have been increased by 3.6 times, net of depletion. Total reserves and resources in India as on March 31, 2013 stands at 433 mt as compared to 374 mt as on March 31, 2012, implying +20 years of mine life.

Liberia

During the year, Sesa acquired the balance 49% shares of Western Cluster Limited, taking its interest to 100%. Western Cluster Limited, given its strategically advantageous distance to sea, coupled with the significant upside potential in future, as shown with the declaration of the initial JORC estimate of reserves & resources, presents an opportunity to establish a large-scale seaborne iron ore exporting asset taking Sesa's iron ore business truly global.

At the Liberia iron ore project, exploration activities are progressing well with about 69,000 meters of drilling completed till March 31, 2013 including 54,000 meters in Bomi. The maiden reserves and resources at Liberia stand at 966 mt as on

March 31, 2013. The resources pertain to only a part of the exploration license areas in Liberia, and a significant upside is anticipated to these reserves & resources. As drilling continues, the preliminary indications continue to be positive.

Efficiency

In August 2011, the Supreme Court ordered a ban on mining and exports from, Karnataka, which impacted Sesa's operations there. In September 2012, the State Government of Goa placed a ban on mining operations in Goa, followed by a Supreme Court order, which brought Sesa's India operations to a grinding halt. These challenges were unprecedented and unforeseen in the six decades of its operations. Despite the long-term irreversible impact on current operations, future markets and the Indian iron industry's global presence, Sesa continued to invest in various measures aimed at improving operational efficiencies. Keen to utilise such an opportunity, various teams have worked towards strengthening internal systems, as one more step towards overall business excellence.

In its endeavour to streamline logistics value chain, Sesa completed the rollout of its unique RFID based logistics tracking system, which seamlessly integrates vehicle movement across its operations, reconciles transactions, interfaces with the enterprise databases, but also interfaces with regulatory and government systems, which are essential. Sesa is the first mining company in India to implement automation using RFID technology to streamline its supply chain.

The system, which improves productivity by reducing transaction time and human errors, identifies the vehicle through RFID; links all touch points (security gates and weighbridges) across the Goa and Karnataka operations, consolidates information, reconciles large transaction volumes and interfaces with SAP. Further, interface with the National Informatics Centre (NIC) and (n)-code websites ensures linking to forest passes and department of mines and geology. Sesa also customised existing SAP modules to incorporate unique procurement practices in iron ore mining, enabling handling of large number of trucks and trips.

This is one such initiative among many take by the Company during this period to strengthen its internal systems and processes, which will enable it to resume its operations with greater efficiency and effectiveness.

Innovation & Operations Transformation

During 2012-13, Sesa rolled out the Command & Control Centre (C&CC) and the Barge Monitoring System. This year, with the roll out of the RFID system, Sesa has been able to integrate the entire operational value chain using innovation to bring about operational transformation.

Sesa's operations strategy is focused on asset optimisation and continuous improvement with the introduction of the best practices and the latest technology. It has introduced a slew of modern technology-based solutions over the last two years. Adding to the successful implementations of the ubiquitous and proven SCADA systems at the plants, which enable engineers to monitor and control mining operations, the introduction of RFID tracking for tracking trucks carrying ore within and outside the mining areas and online real-time barge monitoring system enable logistics managers to optimise and track movement of iron ore being shipped by the Company. C&CC modernises the entire mining operations and integrates the entire value chain from mine pit to the port for effective monitoring and better control over key business processes.

Future Benefits Envisaged

Benefits of RFID

- Reduction in handling Loss
- Reduced cycle time of trucks
- Auto trip capture
- Non compliance evidence recorded
- Reduction of manpower destination
- Cost saving of 2.4 crore achieved in 2011-12

Benefits of C & C centre

- Enable real time monitoring of mining, processing and logistics KPI's. Immediate decision can be taken making the value chain more responsive
- Improve operations performance reporting by improving granularity of data and providing an integrated view of value chain
- Maintains discipline in day to day operations by real-time reporting of alarms and exception. Centralised monitoring shall improve the productivity of operators

Objective / Benefits of GPS

- Authorisation of vehicle at loading point
- Follow right path as assigned
- Zero data entry on weighbridge
- Control unauthorised entry of vehicle
- Monitor real – time stack quantity
- Monitor unloading of truck at destination
- Improved visibility of supply chain

Benefits of GPS based Barge Management System

- Optimisation of river logistics
- Reduced trip cycle time for barges
- Improved advance Planning
- Real time barge performance monitoring
- Investigation and audit Tool
- SMS and voice calling automatically

Way Forward

The C&CC was first implemented in the Bicholim mines and its processing plants and the results indicated that there is an incremental benefit of availability and utilisation of HEMM and plants by 8-10%, while there was a drop in diesel consumption. With this successful implementation, Sesa is now executing this to include other critical mining and processing units as well. Very few mining companies in the world have integrated command and control centres for managing their iron ore supplies to customers.

Market Review

Sesa Goa Limited drives the ferrous mineral business of the Vedanta Group. The Company's primary business is iron ore mining and it is the largest private sector producer and exporter of iron ore in the country (except in FY2013). The Company also produces pig iron, metallurgical coke and is a technology provider for eco-friendly non-recovery coke making technology. While each of these business segments has its own focussed market, and thereby unique demand supply situations, the economic and environmental variables affecting the iron and steel industry have a strong impact on all the businesses. During the past year, apart from the soft and uncertain global economic situation, the developments in the domestic iron ore industry had significant impact on the pig iron and, consequently, on the met coke sector.

Macro-Economic Developments

The global economic activity continued to remain soft in 2012. Fiscal consolidation and a still-weak financial system continue to weigh on the growth prospects in the advanced economies, balanced to some extent by an accommodative monetary policy. Low growth and uncertainty in advanced economies are percolating to the emerging market and developing economies, through both trade and financial channels, adding to home grown weaknesses. IMF projects global growth to increase during 2013, as the factors underlying the soft global activity are expected to subside. As per IMF estimates, the global economy is expected to grow at 3.5% in 2012 primarily driven by growth in the emerging market economies, mainly China. The economic recovery however remains fragile.

Table 1: IMF Projections

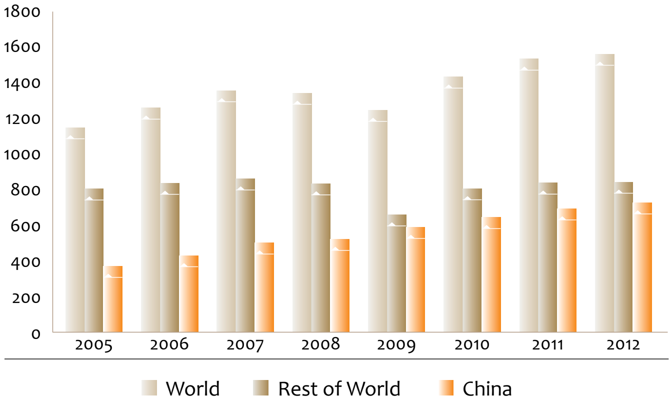
	2011	2012 (e)	**2013 (f)**	2014 (f)
World	3.9	3.2	3.5	4.1
Advanced Economies	1.6	1.3	1.4	2.2
Emerging Economies	6.3	5.1	5.5	5.9
China	9.3	7.8	8.2	8.5
India	7.9	4.5	5.9	6.4

(e) estimate, (f) forecast

Global Steel

World crude steel production reached 1,548 mt in the year 2012, up by 1.2% compared to 2011. This is another record for global crude steel production. The growth came mainly from Asia and North America while crude steel production in the EU (27) and South America decreased in 2012 compared to 2011.

Figure 1: Annual crude steel production



Asia's annual crude steel production was 1,012.7 mt in 2012, an increase of 2.6% over 2011. China's crude steel production in 2012 reached 716.5 mt, an increase of 3.1% on 2011. China's share of world crude steel production increased from 45.4% in 2011 to 46.3% in 2012. Japan produced 107.2 mt in 2012, a -0.3% decrease from 2011. In 2012, South Korea's crude steel production was 69.3 mt, a 1.2% increase compared to 2011.

Figure 2: Share of world crude steel production 2012, 2011

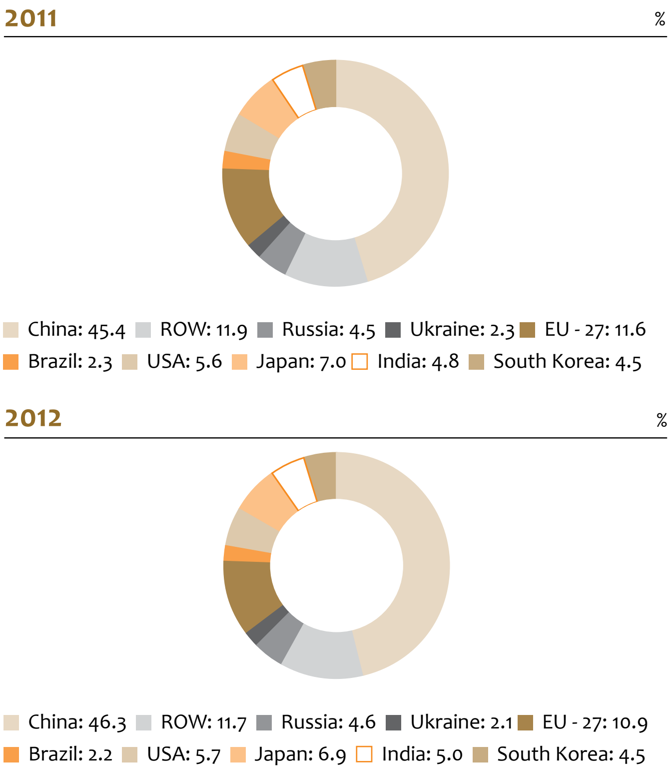


Table 2: Top 10 steel-producing countries

Rank	Country	2012 (Mt)	2011 (Mt)	(%)
1	China	716.5	694.8	3.1
2	Japan	107.2	107.6	-0.3
3	United States	88.6	86.4	2.5
4	India	76.7	73.6	4.3
5	Russia	70.6	68.9	2.5
6	South Korea	69.3	68.5	1.2
7	Germany	42.7	44.3	-3.7
8	Turkey	35.9	34.1	5.2
9	Brazil	34.7	35.2	-1.5
10	Ukraine	32.9	35.3	-6.9

Steel Demand in China

In 2013, China's crude steel output is expected to be roughly 745-755 mt, or 5-6% higher over 2012. While this represents a considerable deceleration from the previous decade, where growth rates averaged around 17% (CAGR), this is still an absolute increase of about 40 mt, or over 50% of India's steel production. Chinese iron ore import growth has accelerated since 2001 and then averaged an impressive 24% for 10 years. The acceleration in Chinese demand resulted in a considerable degree of tightness in the seaborne iron ore market, as suppliers struggled to raise output growth to match that of demand leading to a 10-fold price increase between the late 90's and the 2011 high. However, the expected fall in steel production growth rates is expected to lead to a deceleration in iron ore imports, a fall in pricing, and a contraction in margins partially mitigated by the exit of marginal capacity.

Long Term View

Steel Production

Over the next decade, Chinese economy is expected to evolve from one driven by Fixed Asset Investment (FAI) and exports to one supported by domestic / consumer spending, with a long-term crude steel demand at approximately 800 mt/annum. As China's requirements for further infrastructure, manufacturing capacity and real estate begin to moderate, the Fixed Asset Investment (FAI) will decelerate, which will negatively impact the growth in steel demand, in particular the long-products steel market (re-bar, beams, etc.), though the demand for flat products might still be moderate.

Supply Response

The number of projects announced indicates a potential surplus in iron ore as the iron ore supply rises to meet, and then exceed, requirements, resulting in continued downward pressure on spot iron ore prices. Project delays and cost escalations coupled with the recent drop in iron ore prices have pushed the market's supply-demand balance forward by a few years. Further, the mining industry is in the midst of re-examining its longer-term investment strategy, which resulted in announcements of various companies deferring, cancelling or scaling down various investment projects, including those for iron ore. Grade declines in iron ore are another growing concern and are likely to offset some of the scale / efficiency advantages from expansions. The upcoming projects in Australia and Africa, especially with high capital expenditure, are currently facing the brunt as capital expenditure funds freeze up in view of the above expectations, given their high marginal costs. However, an expected 30-40% contraction in Chinese domestic production will possibly act as a bolster for declining iron ore prices.

Price Implications

The iron ore price forecasts continue to be pressured by two challenges; firstly, the demand supply situation as the demand moderates and supply accelerates, and secondly, the evolution of the Chinese steel scrap market and EAF capacity in steel production eroding demand for iron ore.

Indian Iron Ore Scenario

The decline in iron ore exports from India has been driven by a simultaneous implementation of regulatory restrictions on key iron ore producing regions, Karnataka, Goa and Orissa, which together contributed approximately 80% of India's iron ore production before regulatory restraints. Indian iron ore exports have declined to a 15-year low. Indian iron ore exports declined by 73% during April 2012 - March 2013. The outlook of Indian iron ore exports remains clouded under regulatory uncertainty. When it emerges out of the current quagmire, through a process of weeding, the Indian iron ore mining industry is expected to emerge stronger and more robust with better environmental and stakeholder management practices and streamlined regulatory environment. However, in the medium term, its role in the seaborne iron ore market has dwindled. Moreover, Indian iron ore is also faced with possible additional regulatory cost pressure from royalty increase and provisions in the new enactment on the anvil.

Financial Performance

Financial information is presented on an accrual basis under the historical cost convention to comply in all material respects with the Generally Accepted Accounting Principles in India as adopted for use in India and the relevant provisions of Companies Act, 1956. The reporting currency of Sesa Goa Limited is Indian Rupee (₹).

Table 3: Abridged Profit and Loss Account of Sesa Goa Limited, on a consolidated basis

₹ in crore

Particulars	**2012 -13**	2011 -12	2010 -11
INCOME			
Sales / Income from Operations	2,850	9,057	10,200
Less: Excise duty	101	79	64
Less: Ocean freight	195	668	943
Net Income from Operations	2,554	8,310	9,193
EXPENDITURE			
Purchase and other material consumed	567	973	858
Employee benefit expenses	250	268	207
Other expenses	1,272	3,568	2,936
Operating PBDIT	465	3,500	5,192
Exceptional item	21	66	-
Depreciation	197	106	96
Interest and other charges	475	434	87
Interest dividend and other income	54	234	551
PBT	(174)	3,129	5,560
Provision for taxation	(43)	1,021	1,337
PAT	(131)	2,108	4,222
Income from Associate	2,411	588	-
Consolidated PAT after minority interest	2,280	2,696	4,222

In 2012-13, Sesa's operating profit declined to ₹ 465 crore, primarily on account of low sales volume on account of suspended mining operations in Goa and Karnataka. Operating cash profit (PBDT) declined to ₹ 23 crore in 2012-13.

Amidst the tough operating conditions significantly impacting the iron ore business, Sesa delivered a PAT of ₹ 2,280 crore including additional income of ₹ 2,411 crore as share of PAT from associate company, Cairn India Limited.

During the year, Sesa made strategic investments into acquisition of 49% stake in Western Cluster Limited at an acquisition cost of ₹ 184 crore. As on March 31, 2013, Sesa's balance sheet has a net debt of ₹ 4,299 crore and cash / cash equivalent of ₹ 203 crore.

Business Segment Review

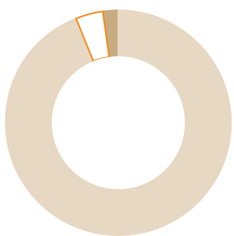
Sesa's aim is to be a leading global low-cost producer of iron ore, with an impeccable track record of operational safety, while maximising shareholder value. With this driving commitment, teams at Sesa are working towards achieving excellence through a systematic approach to exploration and mining, continuously seeking innovation in operations and technological up-gradation of its processes.

Sesa's primary business is iron ore. It is engaged in exploration, mining and processing of iron-ore, with domestic mining operations carried out in the states of Goa and Karnataka in India. In FY2012, it extended its operations to Liberia in Western Africa, in line with its above aim to deliver greater stakeholder value by scaling up operations through organic / inorganic growth. The acquisition and development of Western Cluster Limited will unlock significant benefits for all its stakeholders, including shareholders, employees and, importantly, the communities in which we live and work.

The Company has diversified operations into manufacturing of metallurgical coke and pig iron, operated as independent businesses of Met Coke Division and Pig Iron Division respectively. It embarked on a capacity expansion programme during 2010-11 in both these businesses. The commissioning of the new pig iron facilities made Sesa the largest producer of low phosphorus pig iron in India with an installed capacity of 0.625 mtpa. The Company operates 60 MW of waste heat / gas based power plants in Amona.

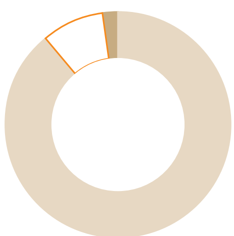
Chart 1 and 2 depict the share of each of these operating businesses in Sesa's consolidated external revenues

Share of Sesa's Consolidated Segment Profits %



Iron ore: 97 Pig Iron: 2 Met Coke: 1

Share of Sesa's Consolidated External Revenues %



Iron ore: 89 Pig Iron: 9 Met Coke: 2

Iron Ore: This is Sesa's core business segment and contributed to 62.3% of consolidated external revenues in 2012-13. The Company has a niche positioning with cost competitive iron ore mines that are relatively nearer to ports with part of the distance covered by waterways, to support the global seaborne iron ore trade.

Pig Iron: This business, carried out through an independent business unit Pig Iron Division (PID), contributed 30.6% to total external revenues in 2012-13. The business focuses mainly on the domestic Indian market, especially to foundries and steel mills in western and southern India. It has also extended its reach in exports market to the Middle East and South East Asia countries.

Metallurgical Coke (Met Coke): The met coke business is primarily a backward integration initiative to support the pig iron business, with 70% of its sales to the pig iron division, and the balance sold externally. During the year 2012-13, it contributed 6.5% to total external revenues.

Power: Sesa operates two power plants of 30 MW each, which utilises the waste heat and gases generated from its pig iron and metcoke plants to generate electricity, used for captive consumption with a portion sold externally. As a new segment this year, power has contributed 0.6% to external revenues in 2012-13.

Iron Ore

Markets

Spot prices witnessed a significant drop from August due to drop in demand reaching a low of \$ 83/t (63% Fe FOB India) in early September from about \$ 130/t at the start of the year. With improved sentiment in China, iron ore spot prices experienced a sharp recovery from December reaching above \$ 140/t in February 2013, before showing slight softening in March to reach \$ 125/t on March 31, 2013. The average spot iron ore price for 2012-13 was approximately 20% lower at \$ 120/t (63% grade FOB price) level, compared to about \$ 150/t in 2011-12.

The negative sentiment in the Chinese steel industry, coupled with the de-stocking activities by iron ore led to the sharp drop in spot prices. The recovery in prices up to February 2013 is attributed by analysts to re-stocking of ore at Chinese ports and steel mills coupled with a favourable outlook for China's steel demand.

While the year-end prices remained at a level only slightly lower than experienced during the early part of the year, the sudden dip in the iron ore prices is reflective of the increasing volatility over the past four years, which has coincided with the increased use of shorter-term contracts and spot trading. Price swings of 30%, or more, in response to stock cycles and sentiment are becoming regular features of the market.

According to the Australian Bureau of Resource and Energy Economics (BREE); world trade in iron ore in 2012 increased by 3.7%, to 1.12 billion tonnes. The output increased mainly in

Australia, with Australia's exports of iron ore increasing by 11% to 488 mt. The increase is supported by expansions to capacity at a number of projects owned by Australia's larger operators, including Rio Tinto and BHP Billiton. In 2013, Australian iron ore exports are forecast by BREE to increase by 12%, to 554 mt.

Brazil is the world's second largest exporter of iron ore. In 2013, Brazil's iron ore exports are forecast to increase by 2%, to 333 mt after remaining flat in 2012.

Indian rron ore exports have declined to a 15-year low, nearly halved in 2012, to 23 mt in response to continued Government measures against illegal mining.

Australia and Brazil together represented 73% of all world exports / availability of iron ore in 2012.This trend is expected to accelerate as a result of expansions and opening of new mines by the iron ore majors (viz. Rio, Vale, BHP, Fortescue) in Australia and Brazil, as China will increasingly require import of higher qua lity iron ore for blending with Chinese ore.

Operational Performance

During the year, the Company faced unprecedented constraints in its operations with the suspension of iron ore mining across the state of Goa from September 2012. Along with the suspension of Karnataka operations, since August 2011, this brought the entire iron ore operations to a stand still for a major part of the year. In view of this, Company's production and sales volumes are not comparable to the previous years. The Company produced 3.7 mt of iron ore, 73% lower than 13.8 mt last year.

Table 4: The Company's production and Sales data across different states

	2013	2012	2011
Sales – Iron ore	3.1	16.0	18.1
Goa	3.0	13.3	14.3
Karnataka	0.1	2.7	2.1
Orissa	-	-	1.7
Production - Saleable Ore	3.7	13.8	18.8
Goa	3.7	12.7	14.4
Karnataka	0	1.0	3.0
Orissa	-	-	1.4

Note: All the above numbers are reported in mt

Table 5: Geographical distribution of sales %

	2012-13	2011-12	2010-11
China	81	67	77
Europe	5	2	2
Japan & Korea	5	11	10
India – Domestic	9	20	10
Others	-	-	1

Karnataka Operations

On August 26, 2011, the Honourable Supreme Court of India ordered a ban on iron ore mining operations in Chitradurga and Tumkur in Karnataka. The Court also ordered the sale of existing inventory by e-auction through Government appointed agency. As a consequence of this ban, the mining operations of Sesa's unit in Karnataka were suspended. Following the submission of the Central Empowered Committee report to the Supreme Court in February 2012 and subsequent court orders, the Company has implemented the CEC approved Rehabilitation and Resettlement (R&R) plan on a fast-track, which is nearing completion. A revised capacity of 2.29 mtpa has been approved by CEC for Sesa's mine in Karnataka. In April 2013, the Court allowed Sesa's mine to resume operations subject to the grant of statutory clearances. The Company is the process of securing appropriate approvals to resume the operations at the earliest.

Goa Operations

The Company's Goa operations operated only for about 2 full months during the year, with 3-month restrictions on monsoon transportation being imposed from June 2012, which reduced further the volume during monsoon months. The monsoon restrictions were followed by a complete suspension of operations in Goa through State Government and Supreme Court orders.

The Ministry of Mines, Government of India, had constituted the Shah Commission for inquiry into aspects of compliances for iron ore mining across India in FY2011. Post the submission of Shah Commission report, in September 2012, the State Government of Goa, temporarily suspended the mining and transportation of iron ore across the state of Goa. This was followed by an order from the Ministry of Environment and Forest (MoEF) putting into abeyance the environmental clearances for iron ore mines in Goa. Subsequently, a review by a High Powered Committee appointed by the State government was also ordered. In October 2012, the Honourable Supreme Court suspended mining and transportation of iron ore across the State of Goa and ordered a review by the Centrally Empowered Committee (CEC). In view of the foregoing, operations at the Company's mines in Goa have remained suspended. The Company has filed an application before the Supreme Court seeking modification or vacation of the aforesaid order. The hearing in the Court is yet to commence effectively.

Western Cluster Limited, Liberia

In December 2012, Sesa acquired the remaining 49% equity in Western Cluster Limited making it a 100% subsidiary. The project is progressing well with about 69,000 meters of exploratory drilling completed till March 31, 2013. The first JORC resources of 966 mt have been announced. The reserves and resources position has been independently reviewed and certified as per Joint Ore Reserves Committee (JORC) standards. The exploration results are separately discussed in the exploration section.

The feasibility and engineering work for the project is also progressing as per plan. Sesa has completed the feasibility studies for the first phase of the project, which envisages a 4 mtpa high-grade concentrate output (2 modules of 2 mtpa each) from the Bomi Mine. Initially, the saleable ore will be transported 76 km to the Monrovia port by road, which will be replaced / supplemented by rail transport as the railway line is gradually set up for the integrated project. The first shipments are targeted for the end of FY2014.

The Western Cluster Project presents an excellent opportunity for Sesa to strengthen its presence in the world seaborne iron ore market and the Company intends to gradually ramp up the production capacity at WCL in a phased manner targeting a total capacity of about 25-30 mtpa.

Exploration

Any natural resource based business with long-term growth priorities must be backed by strong geological knowledge, exploration skills and efforts. Sesa's exploration initiatives are driven by its focus on sustainable growth and well-planned "stair-step" resource additions. This year, we have built a substantial new platform on last year's record 68 mt stair-step addition. Exploration at the Liberian project acquisitions combined with significant new discoveries in India has resulted in a game changing 1 billion tonne addition. Below table shows the resource addition over last five years.

Table 6: Five years resource addition summary mt

Year	Net Addition	Acquisition*	Total R&R
2009	38	-	240
2010	43	70	353
2011	32	-	306^
2012	68		374
2013	**1025**		**1399**

^ Excluding Orissa

*Resources in Liberia are included under Net additions for the year where JORC compliant resource is available

Now operating in both India and Africa, Sesa has applied new thinking to old deposits. Coupled with cutting-edge technologies is the wise experience of a sustainable miner, who has operated in India for longer than modern India's history, an advantage employed when developing our growing portfolio of new mines.

During 2012-13, over 95,000 meters were drilled in two continents, of which about 69,000 meters were in Liberia and over 26,000 meters were in India. This resulted in net addition of 59 mt and 966 mt to the company's Reserves and Resources in India and Liberia respectively.

As on March 31, 2013 total reserves and resources at the mines that the Company held on lease and / or right to mine stood at 433 mt in India and 966 mt in Liberia. The reserves and resources position has been independently reviewed and certified as per Joint Ore Reserves Committee (JORC) standards.

Regulatory Concerns

The iron ore mining industry continued to face increasing challenges with social licensing, as a result of the competition for resources, especially land. Moreover, as mentioned above, the actions to tackle illegal mining and an overhaul of regulatory regimes for mining, environment and forests in response to increased activism continue to throw up new and unprecedented challenges. Further, the high mineral prices continue to exacerbate social pressure on the extractive industries to share more and more benefits with the society for earning and retaining their "Social License to Operate."

Stamp Duty

The State government of Goa has imposed a stamp duty on the renewal of mining leases (due since 2007) in the state of Goa equivalent to ₹ 10 per ton per year at approved capacity of environmental clearance for the period of the lease. The estimated impact of the stamp duty which needs to be paid upfront is about 300 crore.

Export Duty

Export duty had been increased in the previous year to 30% effective from December 30, 2011. The duty continued to remain at this historical high level.

Mines and Minerals Development Regulations Act

The Mines and Minerals Development and Regulation Bill had been proposed in the previous financial year to replace the existing Mines and Minerals (Development and Regulation) Act, 1957. The bill proposes a number of changes to mining regulation including introduction of auction for allocation of leases, and a proposed imposition of additional cost in terms of social contribution equivalent to the royalty (currently 10% ad valorem but under review). While it is difficult to guess when this bill will be passed by the legislature, the levies of export duties, social contribution levies, royalties, etc., continue to pose significant cost challenges to the iron ore mining industry affecting its competitiveness on the global front.

Operational Measures

In the midst of unforeseen and unprecedented challenges faced by it, Sesa continued to invest in measures aimed at improving operational efficiencies and in technology upgradation of control systems. The Company completed the roll out of our path breaking RFID based logistics tracking system. Sesa is the first mining company in India to implement automation using RFID technology to streamline the supply chain, improving productivity by reducing transaction time and human errors.

The system which identifies the vehicle identity through RFID; links all the touch points viz. security gates, weighbridges across the operations in Goa and Karnataka and consolidates the information enabling analysis and reconciliation of large number of transactions. Apart from interfacing with a centralised database and SAP, the system is also interfaced with NIC (National Informatics Centre) and (n)-code websites, linking forest passes and department of mines and geology permits with truck information in Karnataka.

The Company also customised the SAP modules to incorporate the unique procurement practices deployed in iron ore mining enabling the handling of large number of individual truckers and large number of individual trips. The system has been implemented to withstand tough ambient conditions associated with mining operations in Goa and Karnataka such as high temperature, high humidity, heavy rainfall and dust.

The implementation of such systems will enable both the Company and the government agencies to exercise stringent monitoring and control over the movement of iron ore. The Company has over the past few years engaged in a steady and dedicated drive towards introduction of the modern systems into its mining operations and will continue to invest in these technological upgrades both as a risk mitigation and control tool as well as an operational optimisation initiative to make it truly world-class.

Pig Iron

The Company's Pig Iron Division (PID) commenced its operations in 1992, and was the first to introduce low-phosphorous foundry-grade pig iron in India. The PID's facility consists of two blast furnaces with a working volume of 173 m^3 along with the newly commissioned third blast furnace of 450 m^3 capacity, making Sesa's PID the largest producer of low-phosphorous pig iron in India with an installed capacity of 0.625 mpta. 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 industry.

The Company also commissioned a 800,000 tonnes' sintering facility that would enable the PID to partially meet its iron ore requirement with sintered iron ore fines, resulting in significant cost savings and increasing efficiencies.

Driven by the commissioning of new capacities, the Pig Iron production increased by 24% from 248,729 tonnes in 2011-12 to 307,775 tonnes in 2012-13.

The pig iron sales volume increased by 10% from 250,571 tonnes in 2011-12 to 275,119 tonnes in 2012-13, while sales revenue grew by 7.4% to ₹ 784 crore in 2012-13 from 730 crore in 2011-12. Profits before interest, tax, dividends and other nonrecurring or non-allocable incomes for the Pig iron business decreased from ₹ 45 crore in 2011-12 to ₹ (9.3) crore in 2012-13.

The pig iron market was adversely affected during the year due to increased supply of pig iron by major steel mills in India due to depressed steel demand. Further, the PID was impacted by the scarcity (and irregular supply and resultant high prices) of high-grade iron ore from Karnataka, due to the Karnataka mining ban since August 2011 and suspension of Goan iron ore operations.

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.

Met Coke

Sesa's Met Coke Division (MCD) operates as an independent business unit. The business is primarily a backward integration initiative to support the pig iron operations, with 70% of the met coke output consumed internally in 2012-13. The Company commissioned 2 new batteries of the met coke during the year doubling the capacity to 560 ktpa.

The MCD at Amona, Goa, 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 low-ash coke. The principal input, low-ash coking coal – both hard and semi soft coking coals – is imported and to ensure stable raw material supply, the Company enters into long-term procurement contracts. Coking coals of different types are carefully blended with precision controls to produce the desired high-quality low-ash met coke, using the cost-effective eco-friendly proprietary Sesa Energy Recovery Coke Making Technology. This process produces high quality met coke, and has the lowest pollution levels among comparable technologies.

The metallurgical coke production increased by 29% to 331 kt in 2012-13 due to new capacities commissioned in Q2 FY2013. Sales volume of metallurgical (met) coke increased by 20% to 301,889 tonnes in 2012-13 from 251,264 tonnes in 2011-12. External sales revenue increased by 1.4% to ₹ 558 crore in 2012-13 from ₹ 550 crore in 2011-12.

Coke Making Technology

Sesa's Energy Recovery Coke Making Technology is an environment-friendly technology that is characterised by low capital and operating cost, high energy recovery and capable of producing high quality metallurgical coke. Developed through in-house efforts, Sesa holds patents in US, India, Brazil and Europe for this technology. Sesa had applied for validation of its European patent in Germany, Italy and the United Kingdom. During the year, The International Organisation for Patent and Trademark Service has confirmed the validity of the patent overruling some objections raised by a German Company. This patent is a reaffirmation of Sesa's commitment to development of innovative and cutting edge solutions.

Offered in standard modules of 0.3 mtpa with a potential to generate 21 MW of electrical energy, the technology is available for license globally.

The Company has also 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.

Sesa adhere to the best standards of quality, environment, health and safety, with an exemplary record of safe operations. They are certified to ISO 9001, ISO 14001 and OHSAS 18001 systems, through a third party certification agency, Bureau Veritas Certification (India) Pvt. Ltd.

Risks and Uncertainties

Sesa 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 faces several risks. The main macro level risks are given below.

Market Risks

Sesa exports over 81% 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 67% (as against 69% in the previous year) of sales being exported to China, any slowdown in that economy can affect the Company's business. There are two mitigating factors. First, Sesa'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'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 the past few years, Sesa has been continuously reducing its exports to China through traders and instead directly supplying to steel mills.

Commodity Price Risks

Sesa's revenue and earnings are dependent on prevailing iron ore and pig iron prices, which are determined by the supply and demand and raw materials prices. Commodity prices for all products may fluctuate widely affecting the revenue and earnings. Sesa strives to maintain its operational costs at globally competitive levels in order to sustain through the commodity price cycles.

Regulatory Risks

Sesa has exposure to the regulatory uncertainties facing the mining sector in India. In the last few years, the Company has been exposed to several changes in the regulatory environment including increase in export duty on iron ore to 30% for iron ore lumps and fines. Periodically, non-tariff restrictions such as export bans, mining ban are applied to various ores, such as the one in vogue in 2012-13 in the state of Karnataka and since September 2012 in Goa. Environmental regulation policies also remain unclear and prone to change / change of interpretation, and case-to-case administration of such regulations leads to uncertainty and risk in mining activities.

The Company's Liberia operations are exposed to the regulatory regime in Liberia. While the execution of Mineral Development Agreement with the Government of Liberia provides stability especially with respect to fiscal regime, the Company remains exposed to the regulatory changes in Liberia and to delays in requisite approvals for the project.

Operational Risks

Sesa adopts a sustainable production platform. Consequently, the addition of new mineral resources is critical for sustaining growth oriented mining and production plans for the company. As on March 31, 2013, Sesa has total reserves and resources of 433 mt in India and 966 mt in Liberia. The Company continues to focus on adding new mineral resources through acquisition, exploration and the grant of new mining leases from central and state governments. During the year, 59 mt of net reserves and resources were added through exploration activities at Goa and Karnataka while 966 mt of reserves and resources were added for Liberia for the first time.

The Company is exposed to the risks of delays in obtaining 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.

The Company's operations are also exposed to a number of factors which are outside the company's control such as unusual or unexpected geological features, ground conditions, climatic conditions such as flooding, interruptions to power supplies, congestion at logistics facilities, industrial action or disputes, environmental hazards, technical failures, fires, explosions and other incidents at a mine, processing plant or related facility.

Project Execution Risks

Sesa's aggressive growth plan is contingent upon the successful completion of investments in several developmental projects including investments into the underlying infrastructure to support logistics of ore. These new investments require project management skills and have exposure to project execution risks. The Company's projects are exposed to technical uncertainties, delays in delivery of machinery and equipment, delays in erection and construction, delays in acquisition of land, escalations in costs, etc. The Company relies on its strong project execution and extensive mining experience to assess and mitigate identified project risks.

Currency Risks

With a majority of its iron ore being exported, Sesa'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 industry is highly concentrated 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 continues to focus on building relationships with the major customers and in geographically diversifying its customer base.

SECTION 02

Human Resource

Sesa's high-performance culture is the driving force behind the business. The Company has witnessed exponential growth over the years in terms of volumes, profitability and sustainability, driven by excellent contribution of its focused, dedicated and productive human resource.

Sesa's employee strength in FY2013 was 3,857 as against 4,696 in the previous year. With the Company's emphasis on improving diversity, the gender ratio in the executive category increased from 14% to 17% over the last 3 years. The Company had offered a voluntary retirement scheme during the year, and 208 employees availed the scheme. Due to mining suspension, many employees have been temporarily seconded to other group companies.

Over the past three years, the Company has undertaken various HR initiatives with focussed interventions in continuous learning & development, leadership development and behavioural training.

ACT UP (Acceleration Competency Tracking and Up gradation), a structured process to identify and nurture high potential employees (designated as "Stars of Business"), and the "Generation-next Operational Leadership Development" (GOLD) programme form the cornerstone of Sesa's talent management and leadership development initiatives. Select professionals from middle management occupying critical positions, who have shown potential to emerge as future leaders, undergo coaching and skill-building workshops based on their individual development needs under the GOLD programme. Further, senior management team members attended management development programmes at premier management institutes such as the Indian Institutes of Management and the Indian School of Business, with the junior managers undergoing a management development program at the Goa Institute of Management.

Sesa's learning and development initiatives cater to the development and nurturing of leading-edge technical, functional and managerial skill sets required for running a world-class operation. Training is provided through specific customised technical and functional modules identified on the basis of a structured training need identification process. A total of 57,200 manhours of training was imparted during 2012-13.

With continued focus on continuous improvement and productivity enhancement, initiatives such as TPM, 5S and TQM continue to be a part of the daily rigour at Sesa. About 4,000 manhours of training on Structured Problem Solving, Quality Control tools, Kaizen and IMS, etc. was undertaken during the year. To ensure smooth onboarding of fresh talent in the organisation, detailed induction programs were designed and executed, that comprised of about 7,300 manhours of training.

Safety continued to be a focus area with about 4,500 manhours of behavioural safety training imparted during the year.

All graduate engineer trainees and management trainees undergo a structured 11 days' "Boot Camp" Induction Module." The Boot Camp provides the new trainees exposure to all functions and plant processes within the company along with the "Campus to Corporate" learning program aimed at smoothening the transition to corporate life. A structured mentoring program, for the smooth onboarding and effective acclimatisation of fresh talent into the Company's organisation culture and operating environment, assigns a mentor to each new employee on joining. The induction program also provides opportunities for interaction with senior management and the heads of various departments.

Sesa believes in creating a work environment of fairness, transparency and mutual respect wherein the aspirations of employees and the goals of the Company are aligned. During the year, in the midst of the current challenging times, the Company launched various initiatives to encourage and institutionalise two-way communication within the organisation. "Townhall" meetings, coupled with face-to-face / video conference interactions between senior management, staff and workmen covering an overwhelming majority of the employees, provide opportunities for open and frank discussions within the Company.

During the year, Sesa introduced a new online platform "ABCDi" to encourage continuous performance dialogue. This tool, which augments its online performance management system, further facilitates dialogue between team leaders and members setting work expectations, providing feedback and a channel for voicing concerns and challenges. Apart from this, a 360-degree feedback exercise was conducted for senior managers in order to encourage holistic development of future leaders.

Health, Safety and Environment

Safety is the topmost priority at Sesa. The top management at Sesa, through the HSE committee steers the Company's initiatives on health, safety and environment (HSE) by setting annual targets and benchmarking progress in line with the HSE and social policies. The emphasis is on integrating HSE with the decision making process. Today, all the Company's locations are certified for ISO 9001, ISO 14001, OHSAS 18001, and all locations, excluding SRL and SMCL operations, have been certified for SA 8000.

Occupational Health

The health and safety of the workforce is of paramount importance. The Company aims to provide a workplace that is free from any occupational hazards or illnesses. In compliance with statutory requirements, the health of all employees is checked annually across the group. In-house facilities for occupational health monitoring are available at the mines and factory sites. Dust, noise and lighting levels are regularly monitored to ensure workplace hygiene. The on-going evaluation of processes and operations continuously monitors potential hazards and takes proactive preventive measures for any risks identified.

The Company's doctors impart awareness about health and related issues to the employees and local communities including school children around the mining establishments promoting health and hygiene and prevention of communicable diseases. Food handlers from canteens undergo regular health and hygiene checks. During 2012-13, there were no occupational illnesses reported in Sesa.

Safety

The Company aims for zero accidents and to ensure a safe working environment. This is promoted through a well-established system of checks and balances, a comprehensive and exhaustive system of reporting accidents and incidents including near misses and thorough investigations to identify systematic safety deficiencies. Preventive measures are put in place for all identified gaps. The organisation encourages employee participation in safety committees and safety promotional programmes and has institutionalised a culture of continuous sharing of safety lessons and best practices.

Through the continued efforts and disciplined application of best safety management practices, the Lost Time Injury Frequency Rate (LTIFR) declined significantly from 0.81 in 2011-12 to 0.54 in 2012-13. The chart above shows that there were improvements in LTIFR in the mining and for Sesa Resources Limited. Also, LTIFR is zero for Shipping, Shipbuilding and Met Coke divisions. The Shipbuilding Division has achieved a second consecutive zero-accident year.

Table 7: LTIFR Measures

	2012-13	2011-12	2010-11
Mining (SGL)	0.24	0.39	0.74
Shipping	0	3.20	4.47
Shipbuilding	0	0	1.01
Met Coke (1 and 2) and PP *	0	1.64	0
Pig Iron (1,2,3 and SP) *	1.00	0	0
Expansion Projects	1.75	1.00	-
Sesa Resources Limited	0.47	2.08	1.42
Sesa Mining Corporation Limited	1.38	0.34	0.65
Sesa Consolidated	0.54	0.81	0.86

* For 12-13 rate for MCD and PID have been computed including the expansion plants, power plant and sinter plant after commissioning.

Environment

In mining, one is dealing with exhaustible natural resources and it is very important to replenish as much as possible and extract ore with minimal peripheral damage to the environment. Sesa is very conscious of meeting this challenge. From afforesting and restoring exhausted mining sites to conserving water, managing solid waste and optimising energy consumption, the Company takes every possible step towards environment conservation and minimising the impacts on the surrounding environment and the community.

As evidenced in earlier reports, Sesa has always believed in responsible mining and continues to mine in ways that minimise negative impact of operations. The Company's responsibility does not end with operating the mine; it extends much after the mine site is closed. It ensures regeneration of the very earth that has been mined, helps sustain the biodiversity and addresses the needs of local communities. In the long term, the goal is to return the land to as close to its original state as possible.

Long before environment consciousness became de rigueur for the corporate world, Sesa had commenced initiatives to preserve and protect the environment. Today, there is a full-fledged environment management team to plan, implement and monitor environment management programmes. The focus on environment is integral to and promotes:

- Pre-planning of mining operations
- Concurrent mining and reclamation
- 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
- Benchmarking and adopting best reclamation practices

Energy Conservation

The Company has established and implemented clear objectives under environment management systems for energy conservation. The set energy conservation targets are 3% to 5% at all locations. Projects for energy conservation are identified and undertaken in a systematic manner and are reviewed every quarter to ensure the benefits and targets of these projects are actually achieved.

In 2012-13, specific energy consumption in Mining Division increased by 4% consequent to stoppage of mining operations and no production since September 2012. In case of PID, specific energy targets were satisfactorily achieved and maintained at 0.664. MCD achieved a reduction of 28% compared to the previous year as a result of commissioning of Battery 2, which in turn resulted in an increase in production. The below table 8 shows the energy consumption trend over the last three years.

Table 8: Specific Energy Consumtion GJ / MT

	2012-13	2011-12	2010-11
Mining Division	0.156	0.150	0.106
Pig Iron Division	0.664	0.666	0.568
Met Coke Division	0.104	0.144	0.136

Water Conservation

The main focus of water management is to reduce fresh water consumption, increasing the use of harvested rain water and recharging groundwater, reducing specific consumption and increasing recycling and reuse of treated effluent.

The Company follows the concept of zero discharge, with a robust system to undertake and monitor water conservation targets every quarter. Water conservation targets of 5-10% are part of the business plan every year, and accordingly water managers located at each of the sites identify water conservation projects in consultation with the operating team. The below table 9 shows the water consumption improvements over the last three years.

The specific water consumption in PID showed an increase due to capital repair of BF1 with use of additional water for quenching operations resulting in lesser production whereas in MCD, it is attributable to additional water usage for commissioning of Battery 2. The specific water consumption in Mining Division indicates a decline due to the present stand still in mining operations.

Table 9: Specific Water Consumtion KL / MT

	2012-13	2011-12	2010-11
Mining Division	0.994	1.348	0.732
Pig Iron Division	2.237	2.038	2.002
Met Coke Division	0.883	0.799	0.779

Water conservation is managed at all facilities through:

- Continuous use of recycled water for mining operations and for beneficiating iron ore, thereby reducing about 70% of fresh water consumption.
- The rainwater accumulated in mine pits is used for beneficiation and spraying. For e.g., the water requirement of PID and MCD is partially met from rainwater harvested in the exhausted Sanquelim mine pit.
- 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 and used for the nursery plantations as well.

Climate Change

As part of its climate change initiatives, the Company measures and reviews its impact on the environment by mapping its carbon footprint periodically. The Company's Amona plants utilise waste heat recovery based power plants to generate 60 MW of electricity. The plants are registered with the UNFCCC generating CERs. About 90,004 CERs have been accrued during 2012-13. The Company has been ranked 16th in the Carbon Disclosure Leadership Index in India by The Carbon Disclosure Project (CDP), a UK-based independent not-for-profit organisation, in its CDP India 200 Report, 2012.

Corporate Social Responsibility

Sesa's CSR programmes are aligned to Millennium Development Goals and programs are planned based on stakeholder engagement and consultation, along with baseline studies and need assessments.

With programs based on the principles of Public Private Partnerships (PPP) and community consultation, Sesa partners with like-minded organisations, including government agencies, NGOs, local communities, and panchayats in most of its projects. Third party impact assessment studies are undertaken to assess effectiveness of CSR programmes and identify areas for improvement.

Sesa's CSR is directed along 4 approaches:

1. **Sesa Community Development Foundation (SCDF):** SCDF is a Company, established in 1998 under Section 21 of the Companies Act, to focus on specific interventions of community development.
2. **Need-based interventions:** Interventions in the key focus areas of development, viz. health, education, agriculture, livelihood and infrastructure, based on community needs identified in stakeholder engagement meetings.
3. **Contribution to Mineral Foundation of Goa (MFG):** MFG is an NGO established in 2000 by the Goan mining industry to address social and environmental issues in the mining belt of Goa and Sesa is a founder member and a major stakeholder. Every year, Sesa contributes about ₹ 4 per ton produced to MFG.
4. **Contributions to Government of Liberia for Social Activities:** WCL, Sesa's Liberian Subsidiary makes annual social contributions to the Government of Liberia towards developmental activities under the Mineral Development Agreement.

SCDF

SCDF's core focus is to foster the development of the community and youth in Goa by providing technical education and sports training for interested and eligible youth of Goa. The foundation runs:

Sesa Technical School (STS)

STS was established in 1994 on an old iron ore reclaimed mine in Sanquelim and provides youth, in and around Sesa's mining operations, with technical skills and knowledge in the vocational trades of Machinist, Fitter, Electrician and Instrument Mechanic and helps them secure employment in various industries. Since inception, STS has produced almost 100% passing results. Until 2012, 869 students have passed out from STS. All students are placed in various MNCs through campus interviews. STS is affiliated to National Council of Vocational Training through the Directorate General of Employment & Training (DGET), Government of India (GoI) in the Ministry of Labour, New Delhi.

In 2011, Sesa started a second technical school in Panchwadi, to cater to growing needs of youth in South Goa. In addition to other trades, Panchwadi STS also offers diesel mechanic trade. Panchwadi STS is affiliated to State Council of Vocational Training through the State Department of Craftsmen Training, Government of Goa (GoG).

Sesa Football Academy (SFA)

SFA started at Sanquelim in 1999 to nurture the talent of Goa's young footballers. A further senior-level academy started functioning from June 2008 at Sirsaim, Goa.

Sanquelim Academy: It houses 36 boys. Once in two years, boys in the ages of 14 to 16 years are selected on merit and are provided with professional football training as well as a formal education. The team has won many championships and graduates play for top teams of our country. Till date, 93 trainees have passed out from this academy.

Sirsaim Academy: To further nurture young talent along with rigorous football training within a disciplined regime, new infrastructure at Sirsaim was inaugurated on February 14, 2010 and has 30 trainees.

Both academies have separate football turf maintained round the year by a professional agency, hostel facilities, in-house gymnasium, indoor sports hall, while the Sirsaim Academy also has an audio visual room and sauna bath facilities.

Sesa Football School (SFS): SFS is a unique young talent development programme launched by SFA in 2012, in line with its objective of identifying and promoting young talent under the age of 14, from nearby schools. SFS provides non-residential football training to 28 boys, who have been selected from the nearby schools.

Need-based Interventions

Sesa follows a structured process in conceptualising, planning and implementing need-based programmes based on socio-economic baseline survey and requests received from community during stakeholder meetings and interactions with community representatives. Projects for specific target groups and locations are implemented either in partnership with NGOs, government agencies or directly by Sesa's CSR department and cover initiatives in education, health, sustainable livelihood (agriculture and women empowerment) and social infrastructure development.

Education

Sesa works with teachers, Parent Teachers' Associations (PTA), village panchayats, government education departments and NGOs for effective implementation of its educational initiatives.

BE Mining Engineering Department: Sesa has tied up with GoG to start the Degree course in Mining Engineering in Goa, at Goa Engineering College, Farmagudi, with an intake of 30 students annually. The project envisages the creation of necessary physical infrastructure like classrooms, laboratories, etc. under the PPP model with the GoG taking complete responsibility after five years. This initiative, aimed at developing qualified mining engineers, will provide local Goan youth an opportunity to study mining engineering in Goa.

Sesa Dnyanjyoti Shishyavritti Scholarship: Sesa initiated the scholarship scheme for meritorious students of classes V to XII from schools across mining belt. In the last three years, 1065 meritorious students from 67 schools have been awarded this scholarship based on academic performance.

Vedanta Computer Education Program (VCEP): VCEP is a flagship education project of Sesa, which aims to provide quality education by incorporating Computer Aided Learning (CAL) in the teaching and learning process, thereby increasing enrolments, reducing dropouts and improving the passing out percentage in schools. This project is in collaboration with Sarva Siksha Abhiyaan, Directorate of Education, in Goa and Rashtriya Madhyamik Shiksha Abhiyan in Karnataka. The program has been implemented so far in 349 schools in Goa and 1500 schools in Karnataka covering over 171,000 students.

Manthan Project: Manthan is a school-based intervention for promotion of adolescent health and education, based on WHO's Global School Health Initiative launched in 1995. The project, started in 2008 and implemented through the NGOs, Sangath and Sai Life Care, covers 21 schools across the mining belt reaching out to over 4000 students.

Sesa Abhyasika or Study Centres: To cater to the educational needs of rural students, Sesa has set up 'Sesa Abhyasika' Study Centres. The 36 centres provide personalise guidance for academics and personality development for over 614 students.

Summer Vacation Computer Coaching Program: 485 students were provided with a 15 days Summer Vacation Computer Training Certificate Course through Vedanta foundation in partnership with Sarva Shiksha Abhiyan.

Child Friendly Learning: To support primary education; Sesa has developed a Child friendly learning kit with the help of primary school teachers. The kit, which makes learning more interesting and fun-filled for primary school students, was distributed to 161 primary schools covering more than 5,400 primary schools students.

Health

Sesa's Health projects are aligned to Millennium Development Goals, i.e., maternal health, child mortality and HIV / AIDS, malaria and other diseases. Health projects in schools are aligned to contribute to the World Health Organization's (WHO) Global School Health initiative of health promoting schools.

Community Medical Centres (CMC) & Mobile Health Units (MHU): Sesa is a pioneer in establishing CMCs in Goa and partners with an NGO, Matruchaya, to manage 11 CMCs and two MHUs. These centres, each manned by a doctor, nurse and an attendant, provide communities across our areas of operation access to quality healthcare free of cost to communities across our areas of operation. About 25 people avail health facilities daily in each of these centres, which have touched 233,270 lives since initiation in 2006.

Paediatric Neuro-Rehabilitation Centre: Sesa, in association with GoG and Paediatric Neuro Development Clinic, Mumbai, setup this state-of-the-art one-of-a-kind-in-Goa facility catering to detection to intervention and management, for the needs of special children. On an average, around 800-1000 children avail services each month. Free treatment is provided twice a week.

Blood Donation: World AIDS Day is celebrated annually at Sesa through a voluntary blood donation camp, in association with Goa State AIDS Control Society. From 2009 till date, 763 employees donated blood.

Nutritional Support to HIV + Children and TB Patients: Company has partnered with Positive People, an NGO working for people living with HIV / AIDS, to support their "Children's Wholesome Care Programme." Under the programme, 150 children living with HIV / AIDS are supported with supplementary nutritious food. Similarly, Sesa has also partnered with the Directorate of Health Services in their Revised National Tuberculosis Program (RNTCP) to provide nutritional support to around 100 tuberculosis patients.

Safe Drinking Water Project: In collaboration with the Liberian Red Cross Society, WCL has constructed / rehabilitated 20 hand pumps and bore wells in the villages of Bomi County to provide safe drinking water facility to 1,511 beneficiaries.

Remote Health Camps: In association with the Government Health Department, Bomi County, WCL has conducted 17 health camps in remote villages and settlements in Bomi County to minimise health related deaths through timely check-ups and awareness on prevalent diseases. 1,544 persons have been covered in the camps held during the year.

Sustainable Livelihood

Sesa has taken up initiatives, in collaboration with expert agencies and working jointly with government departments, to create awareness and establish alternate means of livelihood. Highlighted below are few such projects that have been instrumental in creating sustainable livelihood in the communities around.

Alternative Livelihood Opportunity Project (ALOP): The community around the operations in Chitradurga is largely dependent on farming very small land holdings. In 2008, Sesa along with the University of Agricultural Sciences, Dharwad, developed and implemented the 4-year long ALOP project to educate the villagers on alternative opportunities for sustainable livelihood and on development possibilities in farming. The project activities undertaken and achievements in this are:

	Activities	Achievements
1	Watershed development for conservation of soil and water	2,333 acres area was brought under watershed and 549 families benefitted from this
2	Established medicinal gardens	Established in 3 villages and 30 different medicinal plants have been planted in these gardens
3	Organised capacity building training programs for farmers	36 training programs were conducted for 823 farmers
4	Conducted farmer field schools to introduce new crop production technologies	75 camps conducted and 1,715 farmers participated
5	Established Artificial Insemination Centre	Facility created for 10 villages and,so far, 712 animals treated
6	Animal health camps conducted in project villages	23 camps conducted and around 7,834 animals treated
7	Organised exposure visits for farmers	464 farmers benefitted from these exposure visits
8	Introduced integrated farming system (IFS)	In 157 acres of land, 3,950 plantations undertaken and 155 families benefitted
9	Established kitchen gardens	Established gardens in 21 households
10	Introduced twin model of vermi-compost units	Introduced in 88 farmers' fields
11	Girirani & Swarnadhara – 2 breeds of improved poultry birds	Provided to 52 and 155 families respectively
12	Introduced improved crop production systems	Introduced in 911 acres of land benefitting 831 farmers
13	Promoted Azolla cultivation practice	8 households have taken up this practice
14	Promoted biomass stove	Provided biomass stoves to 849 families
15	SHG promotion and training	20 SHGs were formed, comprising 283 members and leading to total savings of ₹ 67,905

Sesa Mahila Hitvardhini, a Self Help Group (SHG) Initiative: Sesa works with Centre for Development, Planning and Research (CDPR), a Pune based NGO, to provide support to 382 SHGs under the "Sesa Mahila Hitvardhini" program. These SHGs, which are involved in a wide range of activities such as tailoring, cooking, etc., are provided motivational workshops and training on operations and management of SHGs with the objective of socio-economic upliftment. During the year, training programmes were also organised for activities such as plate making, papad making, etc. covering 188 women.

"Prerna Melawas" or motivational workshops were organised for SHGs, in which 850 members participated. Guidance booklet on SHG formation, functioning, rules and regulations for its operations was released and given to all the members.

Sesa Kishori Prabodhan, an Adolescent Girls Welfare Initiative: The programme aims to address the concerns of adolescent girls on health, hygiene, academics, personality and social aspects. Various programmes, such as *rangoli* and *mehendi* competitions, rangoli training, and talks on topics of interest like stress management, have been organised benefiting over 434 girls from 25 Kishori groups.

Computer Training for Prison Inmates: As a part of Umeed, a pan-India Vedanta Foundation project for rehabilitation of prison inmates; Sesa is conducting a vocational training and certification programme on computer skills for 161 inmates of Aguada and Sada prisons of Goa. The training is identified on the basis of the employment or self-employment opportunities available and the trainers are specially groomed to cater to learning difficulties faced by inmates.

Village Computer Literacy Programme: Along with Vedanta Foundation; the Company has started 3 computer training centres to provide free computer and spoken English training to unemployed youth to enhance their employability. The programme, which covers 2 three-month modules including computer basics, desktop publishing and financial accounting, has about 835 youth enrolled currently.

Assistance to Nursing Dept.: WCL sponsored necessary books, lab instruments, models, hospital beds, etc. to the Nursing Department at the Bomi Community College, thereby benefiting the students from Bomi, Gbarpolu and Grand Cape Mount counties.

Infrastructure Developmet

Rehabilitation of Lofa Bridge: WCL financed the rehabilitation of the 270 m Lofa Bridge, a major bridge that serves as a shorter route for commuters and traders travelling from Bomi and Gbarpolu Counties to Grand Cape Mount County. The Ministry of Public Works provided technical expertise, equipment and machinery to supervise and execute the entire rehabilitation works for the rehabilitation leading to the resumption of normal business activities, which had been stalled for several months as a result of the dilapidated state of the bridge.

Rehabilitation of Road from Tubmanburg, Bomi to Mano River, Cape Mount: WCL, in association with the Ministry of Public Works, rehabilitated the 85 km road connecting Tubmanburg, Bomi County to Mano River, Cape Mount County, reducing the travelling time and risks associated with accidents due to the damaged road. The rehabilitation, which also involved construction of a large number of culverts, has created much needed reliable connectivity to a number of villages and has resulted in generating livelihood opportunities for bikers and taxi services plying between these counties.

Promotion of Local Sports & Culture

WCL organised a football and kickball tournament for the youth of Bomi County with teams from 14 communities residing in neighbouring villages participating. WCL is also sponsoring jerseys for all players at the Annual National Sports Meet in Bomi and Cape Mount Counties.

Employee Volunteerism in CSR

Sesa employees participate in various community drives such as environment awareness, plastic reduction, cleanliness, health awareness, personality development talks, organising community events, etc. Under employee volunteerism, around 3303 hours have been clocked in the current year.

Contribution to MFG

MFG works with partners providing services in nearly 80 villages distributed over 28 panchayats around Goan iron ore mines and road transport corridors. MFG projects contribute to one or more of 8 Millennium Development Goals and over the last decade, MFG has created various assets ranging from bhandharas, bunds, irrigation channels, crematorium, anganwadi, classrooms, toilets, libraries, laboratories, etc. for the benefit of the general public and educational institutes besides supporting needy students in their studies, conducting health camps for schools, ladies, etc.

Contribution to the Government of Liberia

Western Cluster Limited has contributed US$ 2.8 million to the Liberian Government as annual social contribution under the Mineral Development Agreement (MDA). Of this, US$ 200,000 is towards general education funding for scholarships and other educations support for Geology and Mining Engineering students from Bomi, Grand Cape Mount and Gbarpolu Counties, as well as support for the University of Liberia Geology Department. US$ 100,000 has been paid to the Scientific Research Fund. US$ 2.5 million is meant for annual social contributions for Bomi, Grand Cape Mount and Gbarpolu Counties.

Cautionary Statement

Statements in the preceding 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.

Board of Directors

Name of The Director	Category
Mr. Kuldip K Kaura	Independent Non-Executive
Mr. Gurudas D Kamat	Independent Non-Executive
Mr. Jagdish P Singh	Independent Non-Executive
Mr. Ashok Kini	Independent Non-Executive
Mr. Amit Pradhan (Wholetime Director)	Executive
Mr. Prasun K Mukherjee (Managing Director)	Executive

Mr. Kuldip K Kaura was appointed Director of Sesa Goa Limited on October 30, 2007. Mr. Kaura is the Chief Executive Officer and Managing Director of ACC Limited. Prior to this, he was the Director and Chief Executive Officer of Vedanta from March 2005 to September 2008, and before that, Chief Operating Officer of Vedanta Resources Plc. and Managing Director of Sterlite Industries (I) Ltd., and from April 2002 to March 2004, Managing Director of Hindustan Zinc Limited. Before joining the Vedanta group, he was with ABB India for 18 years and was the Managing Director and Country Manager from 1998 to 2001. He has served as a member of the National Council of Confederation of Indian Industries and is an office-bearer of other such professional bodies. Mr. Kaura is a Bachelor of Engineering (Hons) in Mechanical Engineering (1968) from Birla Institute of Technology & Science, Pilani.

Mr. Gurudas D Kamat was appointed as the Director of Sesa Goa Limited on December 23, 2005. Mr. Kamat retired as the Chief Justice of Gujarat High Court in January 1997 and is engaged in judicial work relating to arbitration and conciliation. He has over 47 years of experience in legal practice and judiciary, having practiced in Bombay and Goa in various branches of law. He was the prosecutor for the Government of Goa during 1967-69. During 1978-80, he was a member of the senate and faculty of law of Bombay University. Since 1980, he has been an advocate for the Customs and Central Excise Departments of the Government of India. Mr. Kamat was appointed a judge of the Bombay High Court on November 29, 1983.

Mr. Jagdish P Singh was appointed as Director of Sesa Goa Limited on July 19, 2010. Mr. Singh is a distinguished civil servant with over 38 years of executive experience in key positions in the Union and State Governments. He has occupied varied positions in his career, as a district and divisional administrator and as a chief executive and chairman of the Board of numerous corporate bodies. He has turned around several State and Central corporations in the tourism, infrastructure, cooperative finance, mining and mineral exploration sectors and initiated measures for amendments in labour laws. He shaped the new National Mineral Policy in 2008 and piloted its passage. Widely travelled internationally having led delegations to multilateral bodies and conventions, he has also conducted bilateral and country-specific discussions to further joint economic activities with South Africa, Australia and Indonesia. Mr. Singh 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. Ashok Kini was appointed as Director of Sesa Goa Limited on January 24, 2011. He retired as the Managing Director of State Bank of India in December 2005, after serving the bank for 38 years in various capacities. He has directed the bank's forays in domestic distribution, retail business, consumer banking and marketing / brand management and was instrumental in the bank's IT programme implementation, from conceptualising to execution. He is currently on the boards of IndusInd Bank Limited, Gulf Oil Corporation Limited, UTI Asset Management Company and Financial Inclusion Network & Operations Limited. Mr. Kini is a Post Graduate from Madras Christian College, Chennai.

Mr. Amit Pradhan is an executive Director of Sesa Goa Limited since July 1, 2000. Mr. Pradhan is currently responsible for the group's value addition business, pig iron, met coke and power. He joined Sesa in January 1990 as Manager – Purchase, and has 34 years of experience in materials / project management and business development. Mr. Pradhan holds a Master's degree in Science (Physics) from the Indian Institute of Technology, Delhi.

Mr. Prasun K Mukherjee has been serving as the Managing Director of Sesa Goa Limited since April 2006. Mr. Mukherjee was inducted in the Board on July 1, 2000, as Director – Finance, and has 33 years of experience in finance, accounts, costing, taxation, legal and general management. He was rated as one of India's Best Chief Financial Officers (CFOs) in 2005 by Business Today magazine and in 2009, Business World magazine declared him as India's most Valueable CEO. 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.

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 March 31, 2013.

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

₹ in crore, except as stated

Particulars	2012 -13	2011 - 12
Profit before provisions for depreciation and tax	204.90	2,504.79
Less: Depreciation	147.91	83.85
Provision for Tax		
- Current and Prior Year Tax	10.92	719.00
- Deferred Tax	-74.70	22.00
Profit after depreciation and tax	120.77	1,679.94
Add: Balance brought forward from the preceding year	1,962.10	1,137.72
Profit available for appropriation	2,082.87	2,817.66
Appropriations		
Interim dividend / Proposed Final dividend	8.69	347.64
Tax on distributed profit	1.48	7.92
General Reserve	5.00	500.00
Balance carried to Balance Sheet	2,067.70	1,962.10
Total	**2,082.87**	**2,817.66**

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 March 31, 2013 is ₹ 2,280 crore as against ₹ 2,696 crore for the previous year. The basic earnings per share for 2012-13 were ₹ 26.24 as against ₹ 31.01 for the previous year.

Corporate Actions

Western Cluster Limited (WCL)

The Company increased its equity interest in Western Cluster Limited to 100% through the acquisition of the remaining 49% in December 2012 at an acquisition cost of US$33.5 million. This acquisition consolidates our presence in Liberia and reaffirms our faith in the significant potential for the Western Cluster Project. With a large resource potential and with proximity to the port, it is one of the most exciting upcoming iron ore projects.

The project is progressing well with about 69,000 meters of exploratory drilling completed till March 31, 2013. The first JORC resources of 966 mt have been announced. The reserves and resources position has been independently reviewed and certified as per Joint Ore Reserves Committee (JORC) standards.

The feasibility and engineering work for the project is also progressing as per plan. Sesa has completed the feasibility studies for the first phase of the project, which envisages a 4 mtpa high-grade concentrate output (2 modules of 2 mtpa each) from the Bomi Mine. Initially, the saleable ore will be transported 76 km to the Monrovia port by road, which will be replaced / supplemented by rail transport as the railway line is gradually set up for the integrated project. The first shipments are targeted by the end of FY2014.

The Western Cluster Project presents an excellent opportunity for Sesa to strengthen its presence in the world seaborne iron ore market and the Company intends to gradually ramp up the production capacity at WCL in a phased manner targeting a total of about 25-30 mtpa.

Sesa Sterlite – A Merger Announcement

The Scheme of Amalgamation and Arrangement amongst Sterlite Industries (India) Limited (SIIL), The Madras Aluminium Company Limited (MALCO), Sterlite Energy Limited (SEL), Vedanta Aluminium Limited (VAL) with the Company, which was announced last year has received approvals of respective company's equity shareholders, the Stock Exchanges in India and the Competition Commission of India. Approval of Foreign Investment Promotion Board, respective company's equity shareholders and the Supreme Court of Mauritius approval for the merger of Ekaterina Limited with the Sesa Goa Limited have been received. The High Court of Mumbai at Goa has already approved both the mergers while the hearing at the High Court of Madras has been completed and the order is awaited. The Order of the Single Judge of High Court of Bombay at Goa approving both the Schemes has been challenged before the Division Bench.

Dividend

The board of directors has recommended a dividend of ₹ 0.10 per equity share of ₹ 1/- each for 2012-13.

Operations

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

	2012 – 13		2011 – 12	
(All money values are net of ocean freight and excise duty)	Qty. mt	Value ₹ crore	Qty. mt	Value ₹ crore
Sale of Iron Ore*	2.5	1,289	12.7	5,635
Direct Exports	2.2	1,188	9.7	5,082
Other Sales	0.3	101	3.0	553
Sale of Metallurgical Coke	0.30	552	0.25	191
Sale of Pig Iron	0.28	775	0.25	721
Profit after Tax	-	120	-	1,680

* Includes 0.17 mt (amounting to ₹ 72 crore) in FY2013 as compared to 0.3 mt (amounting to ₹ 95 crore) in FY2012 transfered to PID.

Iron Ore Business

2012-13 was a year of challenges for your Company – challenges unprecedented in its history. In September / October 2012, the iron ore mining operations in Goa were brought to a complete halt by an abrupt imposition of ban on mineral extraction and transportation by the State Government and subsequently by the Supreme Court. The Company's entire iron ore mining business is currently at a standstill in the State of Goa.

The Honourable Supreme Court of India has given clearance for resumption of mining operations for A and B category mines in Karnataka subject to statutory clearances, vide its order dated April 18, 2013. Sesa's Karnataka mine falls under B category, and the Company is in the process of securing necessary statutory clearances to resume mining shortly.

The Ministry of Mines, Government of India, had constituted the Shah Commission for inquiry into aspects of compliances for iron ore mining across India in FY2011. Post the submission of Shah Commission report, in September 2012, the State Government of Goa, temporarily suspended the mining and transportation of iron ore across the state of Goa. This was followed by an Order from Ministry of Environment and Forest (MoEF) putting into abeyance the Environmental Clearances for iron ore mines in Goa. Subsequently, a review by a High Powered committee appointed by the State government was also ordered. In October 2012, the Honourable Supreme Court suspended mining and transportation of Iron ore across the State of Goa and ordered a review by the Centrally Empowered Committee (CEC). In view of the foregoing, operations at the Company's mines in Goa have been remained suspended. The Company has filed an application before the Supreme Court seeking modification or vacation of the aforesaid order. The hearing in the Court is yet to commence effectively.

Despite the adverse circumstances during the year, the Company looks ahead to an early resolution of these challenges. We continue to work on furthering our internal systemic robustness and strengthening processes to handle such challenges. In 2012, Sesa became the 1st Indian mining company to implement automation using RFID technology. The Implementation covers all Sesa Group companies. The RFID system identifies the vehicle using RFID tags across the Sesa operations in Goa and Karnataka and links forest passes and Department of Mines and Geology permits (in Karnataka) with truck information thereby providing assurance and control. Sesa received Supply Chain Technology Advancement award at the 2nd Asia Manufacturing Supply Chain Summit (AMCSCS) for this implementation.

Spot prices witnessed a significant drop from August due to drop in demand reaching a low of $83 per tonne (63% Fe FOB India) in early September from about ~$130 per tonne at the start of the year. With the improved sentiment in China, iron ore spot prices experienced a sharp recovery, December onwards, reaching above $140 per tonne in February 2013, before showing slight softening in March to reach $125 per tonne on March 31, 2013. The average spot iron ore price for 2012-13 was about ~20% lower at US$ 120 per tonne (63% grade FOB price) level, compared to about ~$150 per tonne in 2011-12.

Exploration

Exploration at the Liberian project combined with significant new discoveries in India has resulted in the addition of 1.03 billion tonnes of Ore Reserves and Mineral Resources (R&R) in 2012-13. This includes 966 mt of JORC / CRIRSCO certified R&R in Liberia and 59 mt net R&R addition in India.

Now operating in India and Liberia, Sesa has applied new thinking to old deposits. Driven by the consistent focus on resource addition, the total R&R in Goa and Karnataka has increased 3.6 times (net of depletion) over the last 5 years. During 2012-13, over 95,000 metres were drilled, with about 69,000 m in Liberia and about 26,500 m in India. The R&R as on March 31, 2013 now stands at 433 mt in India and 966 mt in Liberia (WCL), totalling to 1,399 mt for Sesa group. These resources in Liberia pertain to only a portion of the exploration license area. With a small part of the strike length explored as on date, there is a potential for significant upside with focused drilling in coming years.

Pig Iron & Met Coke Business

The Value Addition Business achieved a new landmark in August 2012 with the commissioning of the new 450 m^3 blast furnace enhancing the pig iron production from 0.25 to 0.625 mtpa, making us the largest low phosphorous pig iron facility in India. A 0.28 mtpa metallurgical coke plant, a 0.8 mtpa sinter plant and a 30 MW power plant have also been commissioned as part of the expansion project. The newly commissioned sintering facility would enable the Pig Iron Division (PID) to partially meet its iron ore requirement with sintered iron ore fines, resulting in significant cost savings and increasing efficiencies.

Driven by the commissioning of new capacities, pig iron production increased by 24% from 248,729 tonnes in 2011-12 to 307,775 tonnes in 2012-13.

The pig iron sales volume increased by 10% from 250,571 tonnes in 2011-12 to 275,119 tonnes in 2012-13, while gross sales revenue grew by 7.4% to ₹ 784 crore in 2012-13 from ₹ 730 crore in 2011-12. Profits before interest, tax, dividends and other nonrecurring or non-allocable incomes for the Pig iron business decreased from ₹ 45 crore in 2011-12 to ₹ (9.3) crore in 2012-13.

The metallurgical coke production increased by 29% to 331 kt in 2012-13 due to new capacities commissioned in Q2 FY2013. Sales volume of metallurgical (met) coke increased by 20% to 301,889 tonnes in 2012-13 from 251,264 tonnes in 2011-12. External sales revenue increased by 1.4% to ₹ 558 crore in 2012-13 from ₹ 550 crore in 2011-12.

Sesa had applied for validation of its European patent in Germany, Italy and the United Kingdom. During the year, The International Organisation for Patent and Trademark Service confirmed the validity of the patent overruling some objections raised by a German Company.

Outlook

The iron ore mining industry continues to face increasing challenges with social licensing as a result of the competition for resources, and high prices increasing social pressure on the extractive industries to share more and more benefits with the society.

As far as the overall iron ore market is concerned, despite temporary glitches, the theme of the emerging market super cycle remains unchanged, on the demand front. Supply forecasts continue to remain complex on account of supply disruptions due to regulatory concerns as in India, weather disruptions as in Australian ports, continued structural challenges from cost inflations, grade depletion and large uncertainty of project. However, in the longer term, prices are forecast to be under pressure as and when supply picks up with several new investments coming on stream, albeit supported by the phasing out of high cost operations.

Despite all these challenges, the overall outlook for Sesa remains positive. Sesa's low cost operations in Goa and Karnataka are well placed to sustain any cost or pricing pressures. The Supreme Court has already permitted a conditional resumption of operations in Karnataka and the Company is in the process of securing the statutory clearances for an early resumption of operations. The expansion projects at pig iron and metallurgical coke operations have been commissioned, with the sinter plant adding key strategic ability to utilise iron ore fines. With the maiden resource estimate at Liberia already announced, Sesa's total reserves and resources exceed 1.4 billion tonnes with a significant upside expected from hitherto untouched exploration area in Liberia.

Certification

All the certificates under ISO: 9001-2008, ISO:14001-2004, OHSAS 18001-2007 and SA 8000 for Quality Management, Environment Management, Occupational Health and Safety Management and Social Accountability respectively, are being maintained by the Company after periodical surveillance audits.

Chitradurga Mine, Sonshi Mine, Amona Plant and Amona Bunder have been certified for implementing "5S Workplace Management System" from Quality Circle Forum of India, Hyderabad.

Codli mine has been certified for implementing "5S Workplace Management System" from Quality Circle Forum of India, Hyderabad.

Sesa's Information Technology Department has been certified for "ISO 27001:2005" standard for its Information Security Management System (ISMS) for Sesa HO and SAP Data Center, Mahape.

Energy Conservation, 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 biodiversity of the working as well as reclaimed mines. Successful replication of proven biotechnologies for mined land reclamation has become an integral part of the Company's resource planning process.

Sesa accords high priority to the safety of its employees. Conscious efforts were made to improve safety practices across all the units.

Your Company continued its focus on CSR activities with strong commitment in stakeholder engagement to understand the community needs. Company has associated with reputed CSR partners to implement CSR programs, notably among them Mineral Foundation of Goa, Government of Goa and so on. Details of the sustainable development activities are included in the Business Responsibility report, which is part of the annual report.

The Company had published Sustainable Development Report for 2008-09, 2009-10, 2010-11 and 2011-12 based on International Guidelines of GRI - G3 / 3.1 with application level of A+ and has plans to publish at the G 3.1 level in 2012-13.

CSR - SCDF

Sesa Community Development Foundation (SCDF) runs two units, viz. the Sesa Technical School (STS) and the Sesa Football Academy (SFA). The Company's contribution during the year was ₹ 3.94 crore to the Foundation.

Awards

Your Company was awarded with the following prestigious awards during the year 2012-13:

- Sesa has been recognised with the "Commendation Certificate" in IMC Ramkrishna Bajaj National Quality assessment in the Manufacturing Category for the year 2012. Sesa is the first and only mining company to get this recognition since the award's inception in 1996. The award is presented annually by the Indian Merchants' Chambers (IMC) to promote quality awareness and practices, recognise quality achievements of Indian companies and publicise successful quality strategies and programs.
- Sesa won the first place for the Best Practices adopted and implemented in Environment Technology for its initiatives on "Energy Conservation" given by the Goa State Pollution Control Board (GSPCB) on the occasion of World Environment Day.
- Sesa's Pig Iron Division was the winner in the "Manufacturing process Metallurgical - Medium Scale Industry" category and Met Coke Division was the runners up in the "Manufacturing process Non Metallurgical - Medium Scale Industry" category. These awards, given at the national level, have been instituted by Srishti Publications.
- Sesa won the "CSR Initiative of the Year" award at Business Goa Corporate Excellence Awards given by Business Goa, a business magazine in March 2013.
- Sesa won the Silver Award in the category of Best Strategy at the 3rd Annual Greentech HR Excellence Awards, 2013, given by the Greentech Foundation, which presents these HR Excellence Awards to companies that demonstrate the highest level of commitment to HR practices.
- Sesa Goa Limited, has been conferred the Diamond Edge Award 2012, for its RFID Based Logistics System at the EDGE Awards 2012 in Mumbai on 10 October 2012. EDGE (Enterprises Driving Growth and Excellence through IT) initiative of InformationWeek is an effort to identify, recognise and honour end-user companies in India that have demonstrated the best use of technology to solve a business problem, improve their business competitiveness and deliver quantifiable return to stakeholders.
- Sesa was declared the winner of "Manufacturing Supply Chain Awards" in the category of "Supply Chain Technology Advancement" for its RFID implementation across Goa and Karnataka iron ore operations. These awards were given as a part of the 2nd Asia Manufacturing Supply Chain Summit (AMSCS).
- Sesa Goa Limited was awarded the Best Custom Solution Award in SAP Logistics category for Customisation of Ore Trucking Logistics at the SAP Localisation Forum India 2013.
- Sesa's Met Coke division won two prestigious National Safety Awards in New Delhi in September 2012 for
    - Achieving lowest average weighted accident frequency rate over a period of 3 consecutive years ending in the performance year 2010 for factories working less than one million man-hours but more than half million man hours per year.

- Achieving maximum man-hours without any fatal / non-fatal / PTD accident in the performance year 2010 for factories working less than one million man-hours but more than half million man hours per year.

- Sesa Mining Corporation Limited (SMCL) was awarded the CSR Excellence Gold Award in the Education Category by the Green Triangle Society on 21 December 2012.
- Sesa has been awarded a Merit Certificate for being a finalist in the Global CSR Awards 2012.
- Sesa's mining division won the Late Manikant Hiralal Shah Memorial Gold Medal for excellence in Community & Social Welfare at the Green Triangle Society's CSR Excellence & Safety Awards.

Fixed Deposits

As reported last year, the Company has discontinued renewal of its fixed deposits on maturity. As on March 31, 2013 all fixed deposits had matured while 8 deposits amounting to ₹ 1.36 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 safety performance for the Financial Year 2012 - 13 is as under:

	FSI		LTIFR	
	2012-13	2011-12	**2012-13**	2011-12
Mining Sesa	0.053	0.111	0.24	0.39
Shipping Division - SGL	0	0.47	0	3.2
Shipbuilding Division	0	0	0	0
Metallurgical Coke Division / PP*	0	0.243	0	1.64
Pig iron Division / SP*	0.29	0	1	0
Expansion Projects (Pig iron, Met coke, Power Plant, Sinter Plant)	0.443	0.125	1.75	1
Sesa Goa Limited	0.118	0.138	0.45	0.70

FSI - Frequency Severity Incidence, LTIFR – Lost Time Injury Frequency Rate

* For 12-13, rate for MCD and PID have been computed including the expansion plants, power plant and sinter plant after commissioning in addition to the existing plant.

SECTION 03

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 March 31, 2013 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. K. K. Kaura and Mr. J. P. Singh, Directors, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Mr. A. Pradhan was re-appointed as Wholetime Director of the Company at the Board meeting held on April 27, 2013, effective from April 1, 2013 for a period of two years, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

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.

As per the requirement of the Central Government and in pursuance of Section 233 B of the Companies Act, 1956, your Directors have appointed M/s R. J. Goel & Co, Cost Accountants, as cost auditors of the Company to carry out the audit of cost accounting records related to Mining, Pig Iron and Met Coke product produced at plants located at Navelim / Amona for the financial year 2012-13.

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 2012-13 have been paid.

Employees

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

Statement of Particulars 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

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 Board of Directors

Place: Panaji - Goa
Date: April 27, 2013

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 March 31, 2013.

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):
Nil

Technology Absorption, Adaptation and Innovation:

1. Efforts made towards technology absorption, adaptation and innovation are outlined below.The Company maintains close contact and continuous interaction with its principal shareholder, other consultants, its foreign associates, customers, as well as, 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 Department of Microbiology, Goa University, 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 ₹ 1,218 crore and outgo (including dividend remittance) ₹ 444 crore (details are given in Note no. 39-41). Hence, the net foreign exchange earning was ₹ 774 crore.

For and on behalf of Board of Directors

Place: Panaji - Goa
Date: April 27, 2013

G. D. Kamat
Director

P. K. Mukherjee
Managing Director

SECTION 03

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 March 31, 2013.

No.	Employee Name	Designation / Nature of Duties	Gross Remuneration (₹ In Crore)	Qualification	Experience (Yrs)	Date of Commencement of Employment	Age of the Employee (Yrs)	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	MD	2.30	BCom (Hons) FCA, AICWA	34	14-04-1987	57	Ceat Tyres of India Ltd., Kolkata
2	Buckley Peter	Head - Exploration	1.70	BSc (Geology & Geophysics), Science (Hons) Geological Mapping	21	03-08-2011	46	Eastern Iron Limited , Sydney
3	Pradhan Amit	Wholetime Director	1.49	MSc (Physics)	35	15-01-1990	58	Wholetime Director Sesa Industries Ltd.
4	Joshi Aniruddha	VP - CA	0.83	BE (Mining), 1st MMC	35	03-07-1993	58	Vizag Steel Plant
5	Sardar Nijguni	AVP - Steel Projects	0.63	BE (Metallurgy)	31	12-12-1990	54	ABB Ltd.
6	Rajanala Krishnagopal	AVP - CC	0.62	BSc, MBA	19	01-11-1999	42	SAIL, Bokaro
7	Correia Afonso Lalita	AVP - Finance	0.61	Bcom, ACA	26	01-06-1990	50	Wimco Limited, Mumbai
8	Mishra Vivek	AVP - IOD , Karnataka	0.61	BE (Mining), 1st MMC, PGD (HR)	19	19-10-2006	41	Century Textiles and Industries Ltd
9	Patil Mahesh	AVP - HSEC	0.60	MSc (Agriculture)	24	15-04-1991	49	Zuari Agro-Chemicals, Goa
B	**Employed for part of the financial year**							
1	Bhat Sudarshan	AGM - Accounts	0.47	BCom, CA	36	07-02-1990	60	GHRSSIDC, Panaji
2	Desai Uday	AM	0.40	DSFEE, & DIS	32	18-03-1991	54	Chowgule & Co. Pvt. Ltd, Loutolim
3	Singbal Kishore	AM - Mining	0.38	Dip.(Mining & Mine Surveying)	27	13-02-1985	52	
4	Joshi Abhay	GM - Commercial (VAB)	0.37	BE (Electronics), MBA, PGD (Computer Programming)	19	30-08-2000	43	Aparant Iron & Steel Pvt Ltd
5	Hosabale Krishna	Manager	0.37	Dip. (Mechanical)	28	22-12-1983	58	NMDC
6	Narvekar Babani	AM - Mechanical	0.36	Dip. (Mechanical)	31	01-01-1981	54	
7	Chougule Subhash	Manager - HR	0.33	BA, MSW	32	02-01-1980	60	
8	Tendulkar Prasad	AM -Laboratory	0.32	BSc (Chemistry)	25	01-10-1986	46	
9	F Ferrao Maria Ana	Officer - Secretarial	0.27	BCom	29	07-10-1982	52	Goa Tours - Travel Agency
10	Natekar Bhairao	Manager - Laboratory	0.27	BSc (Chemistry)	32	12-06-1979	58	Anjuna school
11	Dessai Ramdas	AM - Mining	0.27	Dip. (Mining and Mine Surveying)	28	15-04-1989	50	
12	Bhende Umesh	Sr. Chemist	0.26	BSc (Chemistry)	28	17-02-1987	50	
13	Raikar Keshav	Head Mechanic-1	0.25	SSC	30	17-05-1982	49	Private contractor

No.	Employee Name	Designation / Nature of Duties	Gross Remuneration (₹ In Crore)	Qualification	Experience (Yrs)	Date of Commencement of Employment	Age of the Employee (Yrs)	Last Employment held before joining the Company
14	Rao Odela	AGM - HR	0.25	MA , Master (HRM), PGD (IRPM), PHD (Management of Langueges)	28	09-03-2011	52	SIIL, Tuticorin
15	Sawaikar Uday	AM - Project	0.24	Dip. (Structural Fabrication & Erection Engg)	25	09-04-1990	47	Western India, Pune
16	Chougule Balasaheb	Sr. Survey Assistant	0.24	Tracer	29	13-10-1982	49	
17	Gauncar Babal	Sr. Surveyor	0.23	SSC	32	17-03-1980	55	
18	Naik Damodar	Sr. Mine Foreman	0.22	SSC	33	02-05-1979	53	
19	Reddy Surendra	AM - Mining	0.20	Dip. (Mining & Mine Surveying)	18	01-04-1994	40	MEL, Chitradurga
20	Prabhu Anil	Sr. Officer-Furnace	0.20	BSc	26	16-11-1992	49	Drogaria Anant, Panaji
21	Mulla G	Sr. Electrician II	0.20	SSC	34	10-01-1978	53	
22	Revodkar Umakant	Sr. Electrician II	0.20	Std VII	32	12-09-1979	53	
23	Nadar Arulchalvan	Welder II	0.19	SSC, ITI	24	15-10-1987	44	
24	Vaigonkar Sitakant	Sr. Electrician II	0.19	Std IX	31	22-09-1980	53	
25	Naik Rajendra	Sr. Clerk	0.19	SSC	29	01-11-1982	53	
26	Shirodkar Kush	Sr. Engineer	0.19	Dip. (Mining and Mine Surveying)	25	28-06-1994	47	
27	Shenoy Surendra	AGM - Electrical	0.18	BE (Electrical)	28	04-01-2002	52	
28	Gaonkar Namdeo	Officer - Sales	0.17	Std XII	31	03-10-1980	57	
29	Gaumcar Harichandra	Loader Operator I	0.17	Uneducated	36	17-05-1976	54	
30	Gaonkar Govind	Multi Job Slipwriter	0.17	Std V	29	01-04-1987	51	
31	Godinho Donald	AM - Mechanical	0.17	Dip. (Structural Fabrication & Erection Engg)	35	21-04-1994	57	D.B. Bandodkar
32	Naik Gajanan	Sr. Draughtsman	0.16	SSC, ITI (Mecahnical Draughtsman)	25	04-06-1990	46	Zuari Marine Industries Pvt Ltd, Vasco
33	Bhasha J	Head Electrician II	0.16	SSC	28	22-04-1991	50	Indian Charge Chrome Ltd, Orisa
34	Shaikh Razak	Head Clerk	0.16	Std IX	31	02-06-1980	54	
35	Dmello Jerome	AM - Mechanical	0.16	Dip. (Mining and Mine Surveying)	35	15-03-1985	60	
36	Dessai Laxmikant	Head Bundar Supervisor I	0.16	SSC	21	03-09-1990	40	
37	Patekar Babi	Sr. Welder II	0.15	Std VI	30	13-12-1990	52	Kamat Engineering
38	Braganza John	Mst I Welder	0.15	Std VI	25	22-03-1991	48	AZ-Zour South Power, Kuwait
39	Gawas Ulhas	Electrician I	0.15	ITI (Electrical)	27	01-04-1992	48	
40	Bhandare Vinay	Multi Job Slipwriter	0.15	SSC	23	07-09-1992	45	
41	Oliveiro Alex	Loader Operator I	0.15	ITI (Diesel Mechanic)	25	01-06-1994	47	
42	Vaz Audrey	Head Clerk	0.14	SSC	38	23-05-1974	58	
43	Rodrigues Francis	Mst II Welder	0.14	Std XI	23	13-06-1992	46	Pednekar Workshop, Panaji

No.	Employee Name	Designation / Nature of Duties	Gross Remuneration (₹ In Crore)	Qualification	Experience (Yrs)	Date of Commencement of Employment	Age of the Employee (Yrs)	Last Employment held before joining the Company
44	Fadte Dattaram	Multiskilled Tradesman III	0.14	Std IX	24	08-06-1991	46	Amonkar Transport, Amona
45	Trinidade Pascoal	HEM Operator I	0.14	Std IX	29	13-10-1982	55	
46	Gauns Naguesh	Mechanic II	0.14	ITI (Fitter)	25	06-09-1989	47	
47	Gaonkar Pundolic	Pump Operator II	0.14	Std VIII	29	05-12-1990	51	
48	Bandekar Prakash	Officer-Power Plant	0.13	PUC / Boiler	34	19-06-1991	57	K. G. Gluco Biols Ltd. Gokak
49	Kamble Suresh	Multi - Skilled Tradesman-II	0.13	Std IX	22	08-01-1992	44	Popular Founders, Kolhapur
50	Fernandes Joaquim	Mechanic I	0.13	Std IX	32	04-12-1979	56	
51	Porobo Sudhacar	Multi Job Slipwriter	0.13	Std IX	32	12-05-1980	54	
52	Gaonkar Devidas	Head Supervisor II	0.13	Std VIII	29	01-09-1988	54	
53	Fernandes Andrew	Multi Job Slipwriter	0.13	SSC	24	28-09-1992	46	
54	Haldonkar Suryakant	Mst III	0.12	Std VI	25	23-06-1994	48	Kamat Engineers, Mardol
55	Verma A K	Sr. Mine Foreman	0.12	SSC, Mine Foreman Certificate	30	01-04-1994	52	MEL, Chitradurga
56	Navelkar Pramod	Semiskilled Workman	0.12	SSC	30	13-04-1992	51	
57	Sawant Anand	Multiskilled Tradesman III (TO)	0.12	Std IX	25	21-07-1992	47	
58	Parab Tulshidas	Semiskilled Workman	0.12	Std III	26	09-11-1993	49	Private contractor
59	Shet Kailas	Draughtsman	0.12	ITI (Mecahnical Draughtsman)	24	27-01-1994	47	D'Souza Engg. Works, Kumbarjua
60	Ghadi Deelip	Head Clerk	0.12	SSC	33	23-04-1979	56	
61	Gounlli Janna	Sr. Greaser	0.12	Uneducated	29	01-07-1988	54	
62	Pawar Shrirang	Supervisor	0.12	Std XII	26	28-03-1994	48	
63	Parab Dayanand	Jr. Multiskilled Tradesman	0.12	Std IV	27	01-12-1995	49	
64	Rao V Nageshwara	Sr. Mine Foreman	0.11	SSC, Mine Mate Certificate Holder	23	01-04-1994	46	MEL, Chitradurga
65	Prasad Ganesh	Multiskilled Tradesman III	0.11	Std X	16	01-07-1995	39	Private contractor
66	Angadi Basappa	Jr. Multiskilled Tradesman	0.11	Std IX	16	01-07-1995	39	Private contractor
67	Usopcar Anand	Mechanic I	0.11	Std VI	33	11-07-1978	56	
68	Sawant Dattaguru	Barge Loading Attendant	0.11	Std VIII	32	16-04-1990	54	
69	Arsekar Damodar	Multiskilled Operator cum Technician	0.11	ITI (Diesel Mechanic)	21	08-10-1990	43	
70	Porob Sadanand	Multiskilled Tradesman III(Welder)	0.11	ITI (Welder)	19	20-10-1992	38	
71	Borkar Manoj	Multi Job Labourer	0.11	Std IX	20	01-03-1995	42	
72	Khorjuenkar Shanker	Multi Job Labourer	0.11	Std VI	26	01-03-1995	48	

No.	Employee Name	Designation / Nature of Duties	Gross Remuneration (₹ In Crore)	Qualification	Experience (Yrs)	Date of Commencement of Employment	Age of the Employee (Yrs)	Last Employment held before joining the Company
73	Naik Santosh	Barge Loading Attendant	0.11	Std VII	18	01-03-1995	40	
74	Gaad Yeshwant	Sr. Heavy AAA Operator Cum Driver	0.10	Std XI	32	17-02-1995	54	Dempo Engg. Works,
75	Prathap V	Sr. HE Operator	0.10	Std V	17	01-10-1994	39	MEL, Chitradurga
76	Mandrekar Anand	Jr. Multiskilled Tradesman (TO)	0.10	Std XI	19	18-05-1993	42	
77	Khobrecar Tima	Head Electrician I	0.10	SSC	32	05-11-1979	58	
78	Gaoker Santosh	Labourer	0.10	Std IX	22	01-01-1998	44	
79	Chari Sadashiv	Sr. Foreman (Welding)	0.09	SSC	36	04-09-1975	59	
80	Kandarfale Kishan	AGM - HR	0.07	BE (Mechanical), PGDBM, Dip. (Labour Laws), Dip. (Training Development)	37	03-05-1994	60	HAL

Notes:

1. Remuneration as shown above includes Salary, House Rent Allowance, Performance Pay, LTIP Company's Contribution to Provident Fund, Gratuity Fund (in case of managing and Wholetime director) & Annuity Fund, Leave Travel Assistance and expenditure by the Company on accomodation, medical and other facilities, wherever applicable and Commission (in case of Managing Director), as per contracts of service and payments under Voluntary Retirement Scheme.

   In addition, 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 Board of Directors

Place: Panaji - Goa
Date: April 27, 2013

G. D. Kamat
Director

P. K. Mukherjee
Managing Director

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CEO / CFO Certification

We, P.K. Mukherjee, Managing Director, and S. L. Bajaj, 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 March 31, 2013, and, 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 needs 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 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: April 27, 2013

S. L. Bajaj
Director Finance

P. K. Mukherjee
Managing Director

Corporate Governance Report

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' 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's compliance in this regard.

1. Company's Philosophy on Corporate Governance

Sesa 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'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 March 31, 2013, the Company has six Directors on its Board, of which two are Executive Directors and four Non-Executive Directors. All four Non-Executive Directors are independent. 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 held during the year 2012-13		Whether attended last AGM held on July 3, 2012	Number of Directorships in other public companies *	Number of Committee positions held in public companies*	
		Held	Attended			Member	Chairman
G. D. Kamat	Independent Director	4	4	Yes	-	-	-
K. K. Kaura	Independent Director	4	2	Yes	4	-	-
J. P. Singh	Independent Director	4	4	Yes	-	-	-
Ashok Kini	Independent Director	4	4	Yes	5	3	-
A. Pradhan	Wholetime Director	4	4	Yes	1	-	-
P. K. Mukherjee	Managing Director	4	4	Yes	3	1	-

* 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.

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Dates for the Board Meetings in the ensuing year are decided tentatively well in advance and communicated to the Directors. The agenda along with the explanatory notes are generally 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 of all laws applicable to the Company.

During 2012-13, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors.

iii. Number of Board Meetings

Four Board meetings were held during the year 2012-13 and the gap between two meetings did not exceed four months. The dates on which the Board meetings were held were as follows: April 24 2012, July 24 2012, October 26 2012 and January 24 2013.

iv. Code of Conduct

The Company has adopted the Sesa's 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

No.	Name	Age	Qualification	Experience	Other Directorships*
i.	G. D. Kamat DIN: 00015932	78	B.A., L.L.B.	Appointed as Director on December 22, 2005. Over 45 years of 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.	-
ii.	K. K. Kaura DIN:00006293	66	BE (Hons.) Mechanical Engg.	Director since October 30, 2007. 18 years of experience at ABB India at various operations & business management positions. He was a member of Directors of ABB India from 1996 and was Managing Director and Country 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.	ACC Limited. Bulk Cement Corporation (India) Limited. Holcim Services (South Asia) Limited. ACC Mineral Resources Limited.
iii.	J. P. Singh DIN: 02782928	65	M. A., MPA (Harvard), IAS Retd. (Rajasthan 1972)	Appointed as Additional Director on July 19, 2010. He is Former Secretary, Ministry of Finance and Mines, Special Secretary Labour and has over 36 years of executive experience in key positions in the state and union government.	-

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No.	Name	Age	Qualification	Experience	Other Directorships*
iv.	Ashok Kini DIN:00812946	67	B.Sc. / M.A. / C.A.I.I.B. (Certified Associate, Indian Institute of Bankers)	Appointed as Director on January 24, 2011. Mr. Kini retired as Managing Director of State Bank of India in December 2005 after serving the bank for 38 years in various capacities.	Gulf Oil Corporation Limited Indusind Bank Limited FINO Paytech Limited Edelweiss ARC Limited SBI Capital Markets Limited
v.	A. Pradhan DIN:00128568	58	M.Sc. (Physics) from I.I.T. Delhi	Appointed as Director on July 1, 2000. 35 years of experience in Material / Project Management with a stint in Business Development.	Goa Energy Limited
vi.	P. K. Mukherjee DIN:00015999	57	B.Com (Hons.) F.C.A., A.I.C.W.A.	Appointed as Director on July 1, 2000 and Managing Director from April 1, 2006. 34 years of experience in Finance, Accounts, Costing Taxation, Legal and Management.	Sesa Resources Limited Sesa Mining Corporation Limited Goa Energy 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 292 (A) 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 statements are 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 payments 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 March 31, 2013, the Audit Committee comprised of four Independent Directors. 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 held during the year 2012-13	
		Held	Attended
Ashok Kini (Chairman)	Independent Director	4	4
G. D. Kamat	Independent Director	4	4
K. K. Kaura	Independent Director	4	1
J. P. Singh	Independent Director	4	4

Four Audit Committee Meetings were held during the financial year ended March 31, 2013 and the gap between two meetings did not exceed four months. The dates on which the Audit Committee Meetings were held are as follows: April 24 2012, July 24 2012, October 26 2012 and January 24 2013. 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.

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 March 31, 2013, three member Remuneration Committee comprised of Independent Non-Executive Directors. 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 held during the year 2012-13	
		Held	Attended
K.K. Kaura (Chairman)	Independent Director	2	1
G. D. Kamat	Independent Director	2	2
Ashok Kini	Independent Director	2	2

Two Remuneration Committee Meetings were held during the year 2012-13 on April 24, 2012 and October 26, 2012.

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 Meetings to the Directors other than the Managing and the Wholetime Directors (including the Wholetime Directors of the Subsidiary Companies, Sesa Resources Limited, Sesa Mining Corporation Limited and Goa Energy Limited).

Managing and Executive Directors

The Company pays remuneration to its Managing Director by way of salary, commission and perquisites and to its Wholetime 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

Wholetime Directors:

Period of contract	2 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 Wholetime Director:

₹ in crore

Name	Salary	Commission	Perquisites	LTIP	Retirement Benefits	Total
Mr. P. K. Mukherjee	1.04	0	0.52	0.37	0.37	2.30
Mr. A. Pradhan	0.93	0	0.26	0.16	0.14	1.49

b. Non-Executive Directors:

₹ in crore

Name	Sitting Fees	Commission*
Mr. G. D. Kamat	0.025	0.07
Mr. J.P. Singh	0.016	0.07
Mr. Ashok Kini	0.018	0.07
Mr. K. K. Kaura	0.007	0.07

* excludes service tax ₹ 0.03 crore

v. Shares and Convertible Instruments held by the Non-Executive Directors

None of the Non-Executive Directors have shareholding in the Company as on March 31, 2013

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 held during the year 2012-13 Held	Attended
G. D. Kamat – Chairman (appointed w.e.f. April 24, 2012)	Independent Director	3	3
P. K. Mukherjee – Chairman upto April 24, 2012	Managing Director	4	4
S. L. Bajaj	Director Finance - Designate	4	4

SECTION 03

G. D. Kamat, took over as the Chairman of the Shareholders / Investor Grievance Committee at the Meeting held on July 20, 2012.

Four meetings of the Committee were held during the year 2012-13 which are as follows: April 20 2012, July 20 2012, October 20 2012 and January 17 2013.

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
Email: 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	4	4	0
2.	Non receipt of Dividend	0	8	8	0
3.	Non receipt of Annual Reports	0	1	1	0
4.	Non receipt of Securities after Transfer	0	1	1	0
	Total	**0**	**14**	**14**	**0**

There were no outstanding complaints as on March 31, 2013.

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*
2005-06 (Final)	December 22, 2006	February 21, 2014
2006-07 (Interim)	February 10, 2007	April 9, 2014

* Indicative date, actual date may vary.

6. Other Committees

i. Share Transfer Committee

The transfer of equity shares of the Company is approved by the Share Transfer Committee, which meets weekly to approve share transfers. The Committee comprises of the following Executive and Non–Executive Directors of the Company:

Mr. P. K. Mukherjee - Managing Director
Mr. Amit Pradhan - Executive Director
Mr. S. L. Bajaj - Director Finance (Designate)

As on March 31, 2013, 8 instruments of transfer for 14,832 equity shares were lying with share transfer agents and the same will be completed by April 30, 2013.

ii. Finance Standing Committee

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 held during the year 2012-13	
		Held	Attended
P. K. Mukherjee	Managing Director	4	4
S. L. Bajaj	Director Finance (Designate)	4	4
Lalita Correia Afonso	AVP – Corporate Finance	4	4

Four Finance Standing Committee Meetings were held during the financial year 2012-13; on April 20 2012, July 20 2012, October 20 2012 and January 17 2013.

iii. Committee on Legal and Compliance Issues

The Board has constituted committee to deal with Legal and Compliance issues.

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

Name of the Member	Category	No. of meetings held during the year 2012-13	
		Held	Attended
G. D. Kamat	Independent Director	4	4
P. K. Mukherjee	Managing Director	4	4
S. L. Bajaj	Director Finance - Designate	4	4

Four Committee Meetings on Legal and Compliance Issues were held during the financial year 2012-13; on April 4 2012, July 12 2012, October 8 2012 and January 17 2013.

7. General Body Meetings

i. General Meeting

Annual General Meeting:

Year	Meeting	Location	Date	Time
2009 - 10	AGM	Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa	July 19, 2010	11.00 A.M.
2010 - 11	AGM	Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa	July 21, 2011	10.00 A.M.
2011 - 12	AGM	Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa	July 3, 2012	10.00 A.M.

ii. Postal Ballot

No special resolution was put through postal ballot during the year ended on March 31, 2013.

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
October 18, 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 crore (Rupees Sixteen thousand Crore only).
July 21, 2011	1	Approval for increase in commission to the Non- Wholetime Directors of the Company resident in India upto Rupees Seventy Five lakhs (Seven and Half Million) per year.
June 19, 2012 (Court Convened Meeting)	1	Approval to the arrangement as embodied in the Scheme of Amalgamation and Arrangement amongst Sterlite Industries (India) Limited, The Madras Aluminium Company Limited, Sterlite Energy Limited, Vedanta Aluminium Limited and Sesa Goa Limited and their respective Shareholders and Creditors
June 19, 2012 (Court Convened Meeting)	1	Approval to the Amalgamation as embodied in the Scheme of Amalgamation of Ekaterina Limited and Sesa Goa Limited and their respective Shareholders and Creditors

8. Disclosures

i. Subsidiary Companies

All subsidiary companies of the Company are Board managed with their Board having the right and obligation to manage such companies in the best interest of their stakeholders. Sesa Resources Limited is a material unlisted Indian Subsidiary, whereby, as required in terms of paragraph III(i) of Clause 49, at least one independent director on the Board of Directors of the Company should have been appointed on the Board of Directors of Sesa Resources Limited. In view of the impending Sesa-Sterlite Merger which has taken more time than expected, the appointment of independent director on the Board of Sesa Resources Limited could not take place. However the Company is taking necessary steps to appoint an independent director in the current financial year.

The Company monitors performance of subsidiary companies, interalia, by the following means:

(a) Financial statements, in particular the investments made by the unlisted subsidiary companies, are reviewed quarterly by the Audit Committee of the Company.

(b) All minutes of Board meetings of the unlisted subsidiary companies are placed before the Company's Board regularly.

(c) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board.

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. 46 of the Financial Statements in the Annual Report. In the opinion of the Board, the transactions during 2012-13 between Sesa Goa Limited and its subsidiaries, Sesa Resources Limited, Sesa Mining Corporation Limited and Goa Energy Limited have been done at arm's length.

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.

On October 23, 2009 the Ministry of Corporate Affairs of the Government of India ordered that the Serious Fraud Investigation Office (SFIO) investigate into the affairs of Sesa and its then subsidiary, Sesa Industries Limited (SIL) (which has since been amalgamated with Sesa with effective April 1, 2011), in respect of alleged mismanagement, malpractices and financial and other irregularities, including alleged siphoning and diversion of funds. On May 26, 2011 Sesa received a copy of the report by the SFIO, wherein certain allegations were made relating to violations under the Indian Companies Act, during the period from

2001 to 2007. The report had recommended, inter alia, that action be taken against the directors of Sesa Goa Limited during the aforementioned period. Sesa filed representations to all concerned explaining in detail its position on the allegations and denying the allegations made in the SFIO report. Subsequently, the Union of India through the Ministry of Corporate Affairs filed three cases against Sesa Goa Limited, its erstwhile subsidiary, Sesa Industries Limited, and some of their officials. The Company is defending its self and its directors / officials against the three cases. However, the Ministry has dropped all allegations of under / over invoicing of iron ore / coal and excess payment of commission.

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 Paragraph 2.i. for the broad terms of reference of the Committee.
- 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 also respond to queries telephonically and by letters.

The quarterly, half-yearly and annual results are published in the Economic Times / Hindu Business Line (Mumbai edition) and in local English and Konkani / Marathi Daily newspapers in Goa. The results, along with official news releases, are 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: June 27, 2013
Time: 10.00 A.M
Venue: Hotel Mandovi, Panaji, Goa

ii. Financial Calendar

Financial year: April 1 to March 31

For the year ended March 31	2012	**2013 (Tentative)**
Financial results for Q.E. June	July 24, 2012	End July 2013
Financial results for Q.E. Sept.	October 26, 2012	End October 2013
Financial results for Q.E. Dec.	January 24, 2013	End January 2014
Financial results for Q.E. March	April 27, 2013	End April 2014
Annual General Meeting	June 27, 2013	July 2014

iii. Book Closure

The dates of book closure are from Tuesday, June 4, 2013 to Thursday, June 6, 2013 (both days inclusive).

iv. Dividend Payment

The Board of Directors have recommended a dividend of ₹ 0.10 per equity share for the year 2012-2013.

The dividend of ₹ 0.10 per equity share will be credited / dispatched between June 28, 2013 and July 25, 2013, subject to approval by the shareholders at the Annual General Meeting to be held on June 27, 2013.

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 2012-13 to BSE and NSE has been paid.

vi. Stock Codes

Sesa'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

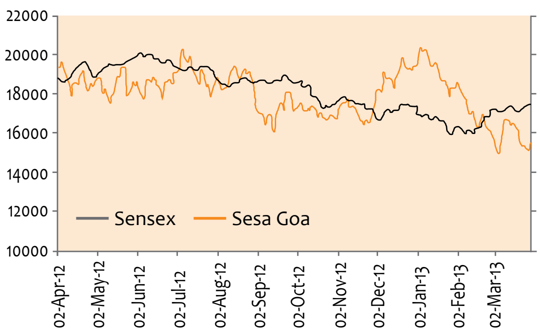
vii. Market Price Data

High, Low (based on the closing prices) and the number of shares traded during each month during the year 2012-13 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	199.50	176.75	4.77	893.35	198.95	177.25	0.71	133.98
May	199.00	172.20	5.76	1067.46	198.80	172.20	0.73	135.13
June	194.00	174.55	4.04	748.90	193.90	175.25	0.70	129.41
July	207.95	177.00	5.25	1017.60	207.90	177.00	0.93	181.34
August	195.70	167.75	4.18	771.16	195.45	167.80	0.62	115.14
September	187.70	157.35	5.66	960.33	188.00	158.00	1.00	169.26
October	178.00	145.00	3.53	605.43	178.00	165.25	0.59	101.30
November	183.50	162.90	2.45	424.80	183.50	162.85	0.34	59.17
December	201.60	178.75	3.56	679.34	201.50	178.75	0.60	114.56
January	205.45	173.70	3.67	705.28	205.40	174.00	0.55	106.24
February	189.80	153.25	2.59	435.72	189.50	152.00	0.40	67.14
March	170.25	148.20	2.83	450.00	169.85	148.20	0.42	67.07

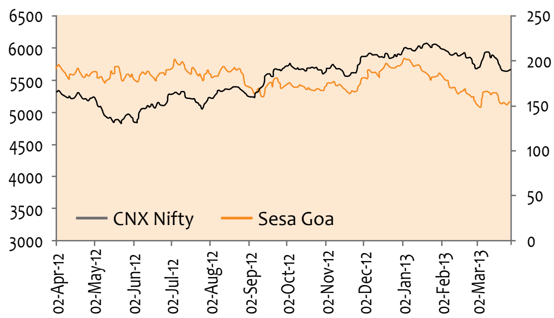
viii. Performance of the Share Price of the Company

Chart A: Company's Share Performance versus BSE Sensex



Note: Both the BSE Sensex and Sesa are indexed to 100 as on April 1, 2012

Chart B: Company's Share Performance versus CNX NIFTY



Note: Both the NSE Nifty and Sesa are indexed to 100 as on April 1, 2012

SECTION 03

ix. Registrar and Transfer Agent

Karvy Computershare Private Limited

Plot No. 17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad – 500081
Tel: +91 40 23420818
Fax: +91 40 23420833
Email: reddy.ks@karvy.com / shyam.singh@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 weekly. Share transfer requests are processed and despatched to the shareholders generally within 15 days from the date of receipt. All valid requests for dematerialisation of shares are processed and confirmation was 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 March 31, 2013 is given below:

Shareholding Pattern by Size

Shareholding of Nominal value of ₹ 1/-

	March 31, 2013			
	Face value ₹ 1/-			
Shareholding of Nominal value of ₹ 1/-	No. of shareholders	% of total shareholders	Amount in ₹ crore	% of amount
1 - 5000	247,834	98.39	6.09	7.01
5001 - 10000	2,499	0.99	1.86	2.14
10001 - 20000	887	0.35	1.25	1.44
20001 - 30000	201	0.08	0.49	0.56
30001 - 40000	129	0.05	0.45	0.52
40001 - 50000	48	0.02	0.22	0.25
50001 - 100000	97	0.04	0.68	0.78
100001 & Above	200	0.08	75.87	87.30
Total	**251,895**	**100.00**	**86.91**	**100.00**

Shareholding Pattern by Ownership

Sr. No.	Category	March 31, 2013	
		No. of shares held	Percentage of shareholding
		Face value ₹ 1/-	
a.	Promoter's holding	479,113,619	55.13
b.	Banks, Mutual funds, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Govt. Institutions)	36,885,170	4.24
c.	FIIs / Foreign Corporate Bodies	236,632,096	27.23
d.	Private Corporate Bodies	11,966,235	1.38
e.	Indian Public	99,700,705	11.47
f.	NRIs / OCBs	1,975,576	0.23
g.	Trust	628,431	0.07
h.	HUF	1,505,213	0.17
i.	Clearing Members	694,378	0.08
	Grand Total	**869,101,423**	**100**

Paid up capital as on March 31, 2012 and March 31, 2013 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. May 31, 1999 as per notification issued by the Securities and Exchange Board of India (SEBI). 97.69 % of the equity shares of the Company have been dematerialised as on March 31, 2013.

xiii. Outstanding GDRs / ADRs / Warrants / Options

The Company had issued 5,000 Foreign Currency Convertible Bonds (FCCBs) aggregating to US$ 500 million. The FCCBs are convertible by Bondholders into Shares, at any time on and after December 9, 2009, up to the close of business on October 24, 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.

During the year 2009-10 and 2010-11, total 2,832 bonds have been converted to 39,188,159 equity shares. No bonds have been converted during financial year 2011-12 and 2012-13.

As on March 31, 2013 there are 2,168 Foreign Currency Convertible Bonds (FCCB) outstanding.

xiv. Details of Public Funding Obtained in the Last Three Years

On July 22, 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 October 30, 2009 the Company had issued 5,000 Foreign Currency Convertible Bonds (FCCBs) aggregating to US$ 500 million, which are listed and traded on Singapore Exchange Securities Trading Limited (the "SGX-ST") of which 755 bonds were converted into 10,447,402 equity shares of ₹ 1/- each at a premium of ₹ 345.88 per share in financial year 2009-10 and 2,077 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.

Consequent to the approval (by the Honourable Supreme Court vide Order dated February 7, 2011) the Scheme of Amalgamation of its Subsidiary Company, Sesa Industries Limited (SIL) with Sesa Goa Limited with appointed date of April 1, 2005, the Board of Directors, at its meeting held on March 12, 2011 allotted 9,398,864 equity shares 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. February 28, 2011, in the ratio of 1:5 (with benefits of sub-division and bonus), i.e. for every one share of SIL of ₹ 10 each, four shares of Sesa of ₹ 1/- each. As a result of allotment, the paid up share capital of the Company had gone up from ₹ 859, 702, 559 to ₹ 869, 101, 423.

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Financial Year	Amount raised through Public Funding	Effect on paid up Equity Share Capital
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 ₹ 537.24 crore	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 US$ 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.
2010-11	Further conversion into equity shares of 2,077 FCCB's issued in 2009-10	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.
2010-11	Nil	On allotment of shares on March 12, 2011 to shareholders of erstwhile Sesa Industries Limited on Amalgamation, the number of paid up equity shares of the Company increased from 859,702,559 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 403001, India

Plant Locations

Mining establishments at Goa and Karnataka
Pig Iron Division at Navelim / Amona Goa
Metallurgical Coke (Met Coke) Division at Amona, Goa

xvi. Address for Correspondence on Share Issues

Karvy Computershare Private Limited
Plot No. 17 to 24, Vittalrao Nagar, Madhapur,
HYDERABAD – 500081
Tel: +91 40 2342 0818
Fax: +91 40 2342 0833
Email: reddy.ks@karvy.com /
shyam.singh@karvy.com

Or

The Secretarial Department
Sesa Goa Limited,
Sesa Ghor, 20 EDC Complex, Patto,
Panaji, Goa 403001, India
Tel: +91 832 2460601
Fax: +91 832 2460721
Email: 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 2012-13 .

For Sesa Goa Limited
Sd/-

Place: Panaji - Goa
Date: April 27, 2013

P. K. Mukherjee
Managing Director

SECTION 03

Auditors' Certificate on Compliance of Conditions of Corporate Governance

To,

The Members of Sesa Goa Limited

We have examined the compliance of the conditions of Corporate Governance by SESA GOA LIMITED (the "Company") for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreements of the said Company with the stock exchanges.

The compliance of the 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, except for at least one independent director on the Board of Directors of the Company not having been appointed on the Board of Directors of a material non listed Indian subsidiary company, as required in terms of paragraph III(i) of Clause 49 (refer paragraph 8(i) on the Corporate Governance Report), 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 Agreements.

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
(Firm Registration No. 117366W)

Rajesh K Hiranandani
Partner
(Membership No. 36920)

Place: Panaji - Goa
Date: April 27, 2013

Business Responsibility Report

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L13209GA1965PLC000044
2.	Name of the Company	Sesa Goa Limited
3.	Registered address	Sesa Ghor, 20 EDC Complex Patto, Panaji, Goa – 403001, India
4.	Website	www.sesagoa.com
5.	E-mail id	sesa.ir@vedanta.co.in
6.	Financial Year reported	April 1, 2012 – March 31, 2013
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Exploration and production of iron ore, production of pig iron, metallurgical coke and power. The company also sells its patented technology in coke making

Group	Class	Sub Class	Description
071	0710	07100	Mining of Iron Ore
241	2410	24101	Manufacture of Pig Iron
191	1910	19101	Production of Coke
351	3510	35103	Electric Power Generation

8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	Iron ore, Pig Iron, Metallurgical Coke and Power
9.	Total number of locations where business activity is undertaken by the Company	
	a. Number of International Locations (Provide details of major 5)	NIL, one subsidiary company is located at Liberia, West Africa
	b. Number of National Locations	Two – Goa and Karnataka
10.	Markets served by the Company– Local / State / National / International	Our products are sold nationally in different states of the country. We also export iron ore to different countries like China, Europe, Japan and Korea. Apart from iron ore our pig iron and met coke are exported to a few countries.

Section B: Financial Details of the Company

1.	Paid up capital (INR)	₹ 86.91 crore
2.	Total turnover (INR)	₹ 2,554 crore
3.	Total profit after taxes (INR)	₹ 2,280 crore

4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**
During the year, the Company has spent approximately ₹ 22.59 crore equivalent to 1.0% of the net profit for FY2013 in various community development initiatives.

5. **List of activities in which expenditure in 4 above has been incurred:**
Sesa believes that corporate social responsibility (CSR) is a long-term involvement of the Company in the socio-economic development of mining areas. The community is one of Sesa's key stakeholders and its participation in the lives of people, who are impacted by its presence and operations is of paramount importance. Most of Sesa's CSR activities are focused around its operations in Goa and Karnataka in India and in Liberia - in West Africa.

Sesa's community initiatives are implemented through the following four channels:

1. Sesa Community Development Foundation (SCDF)
   a. Sesa Technical School
   b. Sesa Football Academy
2. Need-based Interventions
   a. Health
   b. Education
   c. Livelihood
   d. Infrastructure Development
3. Mineral Foundation of Goa (MFG)
   a. Women Empowerment through Self Help Groups
   b. Agricultural, livelihood and education initiatives
4. Contribution to Government of Liberia

Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?

Yes, the Company has five subsidiary Companies, viz:

A. Sesa Resources Limited
B. Sesa Mining Corporation Limited
C. Goa Energy Limited
D. Bloom Fountain Limited
E. Western Cluster Limited

2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Business Responsibility initiatives of the parent company are applicable to the subsidiary companies.

3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

The Company undertakes many CSR activities with the partnership of NGOs, government agencies and other such like minded partners involved in community activities.

Section D: BR Information

1) Details of Director / Directors responsible for BR

a) Details of the Director / Director responsible for implementation of the BR policy / policies

DIN Number	00015999
Name	Mr. Prasun Kumar Mukherjee
Designation	Managing Director

b) Details of the BR head

	Particulars	Details
1.	DIN Number (if applicable)	
2.	Name	Mr. Chandrashekhar D Chitnis
3.	Designation	Company Secretary & AVP- Legal
4.	Telephone number	+91 832 2460 720
5.	e-mail id	c.chitnis@vedanta.co.in

2) Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

Principles	Statement
Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability through their life cycle
Principle 3	Businesses should promote the well being of all employees
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect, protect and make efforts to restore the environment
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

In continuation to MCA directions, Sesa reported all the above nine principles of NVGs in its previous year's Sustainable Development Report of 2012 for the first time whose pdf document is available on our website at http://www.sesagoa.com/attachments/article/114/SDR_2012_web.pdf

No.	Questions	Business Ethics P 1	Product Responsibility P 2	Wellbeing ofEmployees P 3	Stakeholder Engagement & CSR P 4	Human Rights P 5	Environment P 6	Public Policy P 7	CSR P 8	Customer Relations P 9
1.	Do you have apolicy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards ? If yes, specify? (50words) **	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	N*	N*	N*	N*	N*	N*	N*	N*
5.	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y	Y#	Y#	Y#	Y#	Y#	Y#	Y#	Y#
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy / policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	N	Y	Y	Y	Y	Y	Y	Y	Y

** All the policies are based on Vedanta Sustainability Governance Standards, which are aligned with International Finance Corporation and meeting the requirements of IMS Standards

* signed by Managing Director of the Company

http://www.sesagoa.com/index.php?option=com_content&view=article&id=75&Itemid=82&

http://www.sesagoa.com/index.php?option=com_ content&view=article&id=71&Itemid=78

SECTION 03

2a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 Months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3) **Governance related to BR**
Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Board of Directors meet every quarter to assess BR performance of the company. CEO of the company assesses the BR performance periodically.

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Company publishes printed and online versions of its Sustainability Report every year. The pdf version of the report is uploaded on the Company's website as a web update. The hyperlink for viewing the pdf is http://www.sesagoa.com/attachments/article/114/SDR_2012_web.pdf. The online version (html version) of our sustainable development report for FY2012 can be viewed at www.sesagoa.com/sdr2012.

All previous sustainability reports are available at http://www.sesagoa.com/index.php?option=com_content&view=article&id=74&Itemid=81

Section E: Principle - Wise Performance

Principle 1

1) **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/ Others?**
Sesa has well defined policies on ethical business conduct including bribery & corruption. The policy covers all individual working with its subsidiaries at all levels and grades including directors, senior executives, officers, and employees of the Company.

The code of business conduct and ethics and other policies are available at http://www.sesagoa.com/index.php?option=com_content&view=article&id=71&Itemid=78

2) **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**
As specified in the Report on Corporate Governance, 14 investor complaints were received and resolved during FY2013. In other cases necessary clarifications were furnished. The Company also has a documented Whistle Blower Policy (WB Policy), which is available on the Company's website. The Audit Committee of the Board of Directors also evaluates working of the WB mechanism, including the WB cases and investigative findings thereon and actions taken.

Principle 2

1) **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities**
Iron Ore: During the process of mining, care is taken by implementing appropriate environmental measures to minimise damage to the environment. Mining is carried out using state-of-the-art HEMM and high-capacity dumpers. Rainwater is harvested in exhausted mining pit and water is recycled / reused for beneficiation, thereby reducing about 70% of freshwater consumption. Trucks are covered with tarpaulin during transportation and care is taken to avoid spillage during transportation by providing adequate freeboard and optimum loading. In order to deal with social issues, Corporate Responsibility Dept. has been constituted. The CSR Dept. carries out periodic stakeholder consultation meetings to identify and review community needs and expectation and status of implementation. The

SECTION 03

Company contributes to the social well-being through its own foundation named Sesa Community Development Foundation, under which it operates a Technical School and a Football Academy, imparting vocational training and sports coaching through direct implementation of need-based interventions. Apart from this, the Company is the largest contributor to the Mineral Foundation of Goa for undertaking the social development projects executed around Goa's mining belt.

Pig Iron: The process adopts eco-friendly techniques and has an in-built gas cleaning system. Dust and gaseous emissions are controlled through the state-of-the-art pollution control systems and monitoring facilities. Entire process wastewater is recycled and reused after necessary treatment, and so on. The Company has adopted and implemented zero discharge policy. Waste gases are used for the generation of power while slag is sold to cement companies

Metallurgical Coke: Uses cost-effective, eco-friendly, patented Sesa Energy Recovery Coke Making Technology, which produces high-quality met coke on low capital and operating costs and has the lowest pollution levels among comparable technologies. Electrical power is generated using heat from waste gases, entire water used for quenching is cooled and recycled. The Company has adopted and implemented zero discharge policy.

2) **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

   i. Reduction during sourcing/production / distribution achieved since the previous year throughout the value chain?

   Mining Division: The Company sets target for sp. consumption of water and energy and reviews regularly for status of achievement. During the FY no reduction in specific energy has been achieved due to stoppage of mining operations and no production in view of Supreme Court directive.

   PID: Specific energy consumption remained consistent with the previous year. However, specific water consumption increased due to capital repair of BF1 with the use of additional water for quenching operations resulting in lesser production.

   MCD: Reduction of 28% achieved in energy i.e. 0.104 as compared to previous year's 0.144. However, the specific water consumption increased due to additional water usage for commissioning of Battery 2.

   ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   The Company's product is bulk commodity in nature and its customers are traders and steel mills, who are spread across a wide geography. Owing to this, it is difficult to track and monitor the resource usage effectively of the consumers. However, in future, the Company will consider, evaluate and evolve mechanisms to track such resource usage.

3) **Does the company have procedures in place for sustainable sourcing (including transportation)?If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   Yes. The Company follows a Supplier & Contractor Management Policy which assures that necessary materials are in continuous supply whenever they are needed and can be obtained at lowest total cost of ownership from the best possible suppliers available.

4) **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Yes. The company practices sustainability in all aspects of its operations. Maximum efforts are put in to encourage small, disadvantaged, and minority-owned businesses and engage local and small-scale vendors/producers as much as possible. Except for specialized production machinery and their spares, which may be sourced from national or global manufacturers, the contract for entire fleet of trucks used for transporting of ore is sourced locally most of it from the vicinity of mining operations. Support service contracts like housekeeping; construction works, maintenance work and others are also given to local service providers.

5) **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   All our products are 100% recyclable and reusable. However, presently, there are no processes wherein industrial waste is reused as raw material, but we do have processes in place to use tailings as a source of iron ore in some cases by blending with iron ore to recover the mineral value. The slag is sold to cement industry. Waste oil is disposed off to accredited vendors.

Principle 3

1) **Please indicate the Total number of employees**

   3,857

2) **Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

   2,497

3) **Please indicate the Number of permanent women employees.**

   184

4) **Please indicate the Number of permanent employees with disabilities**

   Nil

5) **Do you have an employee association that is recognised by management**

   Yes, there are recognised trade unions affiliated to various trade union bodies. Company's workmen and contract workers are members of their respective unions.

6) **What percentage of your permanent employees is members of this recognised employee association?**
66.9%

7) **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Since Sesa doesn't hire Child Labour, Forced Labour or Involuntary Labour. No Reported Case	Not Applicable
2.	Sexual harassment	One case was reported. It has been resolved and closed	Nil
3.	Discriminatory employment	Sesa does not discriminate in the recruitment process. No reported Case.	Not Applicable

8) **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**
- Permanent Employees
- Permanent Women Employees
- Casual/Temporary/Contractual Employees
- Employees with Disabilities

Safety	Numbers	%
Permanent Employees	639	19.4
Permanent Women Employees	14	7.8
Casual/Temporary/Contractual Employees	83	15.5
Employees with Disabilities	-	-
Skill Upgradation		
Permanent Employees	1,564	47.4
Permanent Women Employees	124	69.2
Casual/Temporary/Contractual Employees	206	38.5
Employees with Disabilities	-	-

Principle 4

1) **Has the company mapped its internal and external stakeholders? Yes/No**
Yes, the Company has mapped its stakeholders as a part of its stakeholder engagement process. Some of the key categories of stakeholders which have been mapped are as below:
- Government and regulatory authorities
- Customers
- Employees
- Local Community
- Investors
- Suppliers & Contractors
- NGOs and other stakeholders

Sesa engages with its identified stakeholders on an ongoing basis through a constructive consultation process. There is a structured stakeholder engagement programme which entails specific engagement mechanisms for each stakeholder group. The Company follows a system of timely feedback and response through formal and informal channels of communication to ensure that the stakeholder information remains current and updated.

2) **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders**
Yes. The Company has identified disadvantaged, vulnerable and marginalised stakeholders.

3) **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**
Yes, company has different initiatives for engaging with the different groups. Among the Identified groups –

Farmers: Back to farming initiative: Company engages with the farmers' either directly or through association or watershed groups. And helps in understanding the needs and difficulties and try to address the issues. Various joint meetings are held with the farmers, Govt departments in transparent manner and the genuine needs are addressed and initiatives are taken to improve the productivity, implement the new technology, creation of farm based enterprise etc.

Adolescent: Company has partnered with NGO's working on this group. Adolescents are addressed through special 'school based intervention for adolescent's health &

education empowerment program'. It addresses counseling needs for adolescent and parents and teachers.

And secondly through Kishori Development programme – under this various life skills are provided along with the exposure to various health and hygiene issues etc. Educational exposure visits are planned. It benefits around 4500 adolescents.

Special children: Established state of art facility in the form of paediatric neuro-rehab centre.

Women: Mahilahitvardhini initiative under which women are trained for micro enterprises, Health care awareness and treatment campaigns such as Cancer, Anemia, Reproductive child health etc.

Principle 5

1) **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**
Sesa's has a human rights policy which covers the company and all its subsidiaries. The policy is also extended to its suppliers and contractors. The policy is also available on the company's website at http://www.sesagoa.com/images/stories/sesagoa/pdf/human rights policy.pdf

2) **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
There were no reported complaints from external stakeholders during FY2013. Complaints received as mentioned in the table given under Principle 3, Question 7, were addressed and resolved.

Principle 6

1) **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**
The policy extends to the Company and its subsidiaries. The compliance to the above policy with regards to suppliers/contractors is presently not being monitored. The policy is also available on the company's website at http://www.sesagoa.com/images/stories/sesagoa/pdf/hseq policy.pdf

We have a formal supplier code of conduct that requires suppliers to stringently follow norms on certain human rights related to child labour, forced labour, etc., amongst other norms. Over 20% of our suppliers' contracts had the code included in their agreements. Our employees are sensitized to report any human rights violation when visiting supplier locations. We have also started the practice of asking for written undertakings from suppliers on various clauses of SA 8000. So far, there have been no cases of discontinuation of contracts.

2) **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes. The company has a Carbon & Energy Policy available at the link: http://www.sesagoa.com/images/stories/sesagoa/pdf/energy and carbon policy.pdf

As part of its climate change initiatives, the Company measures and reviews its impact on the environment by mapping its carbon footprint periodically and reporting to CDP as well as in the SD report published annually. The Company has been ranked 16th in the Carbon Disclosure Leadership Index in India by The Carbon Disclosure Project (CDP), a UK-based independent not-for-profit organisation, in its CDP India 200 Report, 2012.

3) **Does the company identify and assess potential environmental risks? Y/N**
Yes. An internal review of the environmental risk assessment has been conducted for all units wherein studies have been carried out for identifying various environmental areas, risk-associated with each parameter, likelihood of occurrence, severity and the unit's action in response to these risks.

The Company is certified to IMS (ISO 9001: 2008, ISO 14001 : 2004 and OHSAS 18001- 2007) through BVC and as a part of requirements of ISO -14001 EMS (IMS) : 2004 carries out aspect–impact studies for all the activities and operations for identification of critical activities for setting objectives and targets. The system is audited biannually through third party auditors (apart from the periodic audits carried out by certified internal auditors) to verify adequacy and effectiveness of the system and to identify changes if any required in objectives, targets and management plan.

Also company has carried/carries out Environmental Impact Assessment of operations/activities to identify impacts on the surrounding environment and to initiate mitigation measures accordingly. EIA of most of the mines and industrial activities has been conducted and mitigation measures implemented. Regular monitoring of environmental parameters is carried out to ascertain the effectiveness of the measures implemented. Company has established in house Environmental Laboratory and got approved by MoEF to meet the regular monitoring and analysis requirement.

The HSEQ policy is available on its website at http://www.sesagoa.com/images/stories/sesagoa/pdf/hseq policy.pdf

4) **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
The project of power generation from the waste heat of coke plant is registered with UNFCCC under Ref. No. 0535, titled "Sesa – Waste Heat Recovery Based Power Generation". This project was commissioned in 2007.

The 30 MW waste heat recovery power plant utilises the heat from the waste gases from the coke plant & blast furnace. The 30 MW power plant installation comprises 02 Nos. waste heat recovery boilers (Capacity 64 TPH each), with 2 external BFG combustor, each a water cooled condenser, cooling tower & 30 MW Steam turbine coupled to 39.375 MVA alternator.

The power plant generates clean power from waste heat thereby replacing CO_2 emissions from the thermal power plants connected to NEWNE grid, from where the power would have been otherwise sourced & hence is registered as a CDM project with the UNFCCC.

A similar power plant is commissioned in 2012 in the company's expansion project and has already received Host country approval and the process of registering this project with UNFCCC is in progress.

The Carbon & Energy Policy available at the link: http://www.sesagoa.com/images/stories/sesagoa/pdf/energy and carbon policy.pdf

Environment Statement Report is submitted to GSPCB annually.

5) **Has the company undertaken any other initiatives on– clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**
The Company has undertaken pulverized coal injection in its pig iron expansion project. This will reduce the use of coke and thereby results in conservation of natural resources. There are many small initiatives are taken for energy efficiency and targets are taken to reduce the specific energy consumption.

Sesa's energy-recovery coke making technology is an environment-friendly technology, which has been developed through in house efforts and Sesa holds patents for this technology in US, India, Brazil and Europe.

The Carbon & Energy Policy available at the link: http://www.sesagoa.com/images/stories/sesagoa/pdf/energy and carbon policy.pdf

6) **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
Yes. All emissions & wastes generated by the company are monitored on a regular basis and are within permissible limits as specified by CPCB/SPCB. Also, the returns are filed regularly to the statutory authorities as per requirement.

7) **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
Nil

Principle 7

1) **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
Sesa is an active member of various trade associations at local and national levels. Below is a list of the various organisations that Sesa has an annual membership with

1. FICCI
2. ASSOCHAM (Associate Membership)
3. Confederation of Indian Industry
4. Federation of Indian Mineral Industries
5. Employers Federation of India
6. All India Organisation of Employers
7. Confederation of Exports Units
8. Computer Society of India
9. Global Compact Network India
10. National Safety Council
11. British Safety Council
12. The Baltic Exchange Corporate Membership
13. Goa Chamber of Commerce & Industry
14. Goa Mineral Ore Exporters Association
15. Goa Mining Association
16. Goa Management Association
17. The International Centre, Goa

2) **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad are as (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**
Yes, following are the broad areas:

- Mining road corridor
- Waste dump management
- Water and energy conservation

Principle 8

1) **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**
CSR philosophy of the Company is to work for the socio-economic growth of the communities, which are directly or indirectly impacted or has influence of our operation. Stakeholder engagement model is followed for the development of the village development plans. And during this process any negative issues/ concerns of the communities are dealt in very transparent manner. Social

project planning is mostly done by involving the community so that communities can fix priorities and be partner in implementation of the project. Sesa also promotes the PPP model in many cases, both for the impacted community as well as at state levels development. Sesa believes in creating the trust among the communities which we operate in so that the various project implemented are sustainable in true sense.

CSR plans (short term and long term) also focuses on various sensitive issues/ addresses the vulnerable groups in areas of its operations.

2) **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?**
Company adopts three different approaches in implementation of the projects.

   a. Directly by the CSR department of the company – Need based programs

   b. Through partner NGO's based on the specific thrust areas

   c. Through Sesa Community Development Foundation, which runs two technical training institutes and residential football academy in Goa.

3) **Have you done any impact assessment of your initiative?**
Yes. Impact assessment is done both internally and through the third party (after every three years of project implementation)

4) **What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.**
The Company's contribution for the financial year 2012-13 towards community development projects was ₹ v22.95 crore.

Below are some of the important programmes conducted in last financial year:

Health

- Community medical centres: Sesa runs 11 community medical centres and two mobile vans to meet the health care needs of the people at the door step. In the year 2012-13, 56,736 lives have been touched. And from inception to March 13, 233,270 people have been benefitted.
- Drishti: Project for eye check up and treatment involving cataract operations and providing of spectacles to needy.
- World Health Day celebration with cancer survivals from Goa and neighbouring state.
- Paediatric health camps in primary schools across operational areas.
- Nutritional supplement support to children living with HIV / AIDS and people suffering with tuberculosis.

Education

- B.E. Mining engineering college in collaboration with Goa engineering college, Govt of Goa.
- Two Technical Schools are run to impart skill, to develop technical knowledge and to train the local youth in employment oriented fields, so as to enhance their opportunities in securing jobs in the industries or help in self employment. Since inception 869 students passed out. 100% passing result & placement.
- Manthan, It is a school based intervention for promotion of Adolescent health & education programs. 21 schools are covered under this program reaching out to over 4,000 students.
- Run three Village computer training centres and also computer coaching program for jail inmates in two jails of Goa. Vacational computer coaching courses to rural students all across the Goa state in collaboration with Sarva Shiksha Abiyan. 908 benefitted
- E-shiksha program which aims to provide quality education by incorporating CAL in the teaching and learning process. 349 schools from Goa are covered under the program.
- Sesa Dnyanjyoti Shishyavritti: Scholarship scheme for meritorious students from Std Vth to XIIth catering to around 69 schools and 395 students across the mining belt in Goa state.
- Sesa Abhyasika/study centres; Students are provided personalised guidance for studies and personality grooming. Under the program 36 study centers are established benefitting around 800 students across operational areas.
- Kishori development program: 25 adolescents groups are formed and given awareness and training on life skills, micro items etc.

Sustainable LWWivelihood:

- Back to Farming: Initiative to revive and promote agricultural practices & watershed development. 328 Ha. \ land is brought under cultivation benefiting around 1000 farmers from 10 villages.
- Hi-tech commercial farming: Gerbera cultivation polyhouse project in collaboration with directorate of Agriculture, Govt. of Goa. Four polyhouse units have been set up two in operational areas and two beyond operational areas. Per day earning per farmer is approx ₹ 1,800/-.
- Sesa Football Academy Program to Nurture the talent of Goa's young footballers. Till now 93 boys passed out and absorbed by state, national and international football clubs.
- Sesa Mahila Hitvardini: Empowering women SHGs and promoting micro-enterprises. Working with 382 SHG reaching out to 5448 women, 188 SHG groups being trained in tailoring, paper bag etc, masala, papad, etc from 15 village panchayats.

- Social infrastructure: Various social infrastructure jobs such as crematoriums, toilets, schools infrastructures, bus sheds, renovation or beautification of children parks, major towns etc.

5) **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
Yes, we have stakeholder engagement/consultation process in place wherein all our projects are jointly reviewed and acknowledged by the stakeholders. Secondly we take project wise feedback from the beneficiaries to know its impact or scope for improvements if any.

Principle 9

1) **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**
No customer complaints are pending at the end of the financial year.

2) **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks(additional information)**
Not Applicable. Our product being a bulk commodity, it is not feasible to put product labels.

3) **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**
Nil

4) **Did your Company carry out any consumer survey / consumer satisfaction trends?**
Yes,we carry out customer satisfaction survey biannually. Periodic customer surveys are conducted every year with focus on products, services ad customers. Efforts are made to capture customer perception and feedback received on a scale of 1 – 10 points is evaluated vis-à-vis the intensity percentage, to calculate the customer satisfaction index. Minimum acceptable percentage to be achieved for any customer satisfaction index is 80%.

The trends of the last three years can be seen in the past year's Sustainable Development Report, which is available on our website.

Sesa has been publishing a comprehensive sustainability report for last six years. Its Sustainability Reports are based on the GRI framework and have been consistently rated A+ levels which is the highest level of transparency and depth of reporting. In last year's sustainability report in addition to the GRI reporting experience, the Company had also included the 'National Voluntary Guidelines (NVGs) on the Social, Environmental and Economic responsibilities of Business"

drafted by the Ministry of Corporate Affairs. Sesa's Sustainability Reports can be viewed and downloaded from our website www.sesagoa.com

Independent Auditors' Report to the members of Sesa Goa Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of SESA GOA LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

2. As required by Section 227(3) of the Act, 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 Statement of Profit and Loss, 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 Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117366W)

Rajesh K Hiranandani
Partner
(Membership No. 36920)

Place: Panaji - Goa
Date: April 27, 2013

SECTION 04

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section 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 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 explanation 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 explanation 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 covered 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 needed 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 and the Companies (Acceptance of Deposits) Rules, 1975. According to the information and explanations given to us, no order has been passed 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) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011, prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(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, Custom 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 Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2013 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, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2013 on account of disputes are given below:

Statute	Nature of dues	Amount (₹ in crore)	Period to which the amount relates	Forum where the dispute is pending
Income - tax Act, 1961	Income Tax	1,123.36	Assessment Years 2004-05, 2006-07, 2007-08 to 2011-12	Commissioner of Income Tax (Appeals), Panaji, Goa
Income - tax Act, 1961	Income Tax	109.33	Assessment Years 2005-06, 2006-07 and 2009-10	Income Tax Appellate Tribunal, Panaji, Goa
The Central Excise Act, 1944	Excise Duty	7.82	2011-12 to 2012-13	Commissioner – Customs, Central Excise and Service Tax, Panaji, Goa.
The Finance Act, 1994	Service Tax	2.40	2009-10 to 2011-12	Superintendent - Central Excise and Service Tax, Panaji, Goa
Customs Act, 1962	Custom Duty	1.40	Assessment Year 2006-07	Custom Excise and Service Tax Appellate Tribunal, Mumbai
Sales Tax Act	Sales Tax	0.63	1997– 98 to 2000-01	Additional Commissioner of Sales Tax
Customs Act, 1962	Custom Duty	0.29	2010-11	Commissioner of Customs (Appeals), Panaji, Goa

(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 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 terms and conditions under which the Company has given guarantee for loans taken by its wholly owned subsidiary from banks are not prima facie prejudicial to the interests of the Company. The Company has not given guarantees to any 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 of the Company, as at March 31, 2013, we report that funds raised on short term basis amounting to ₹ 2,721.16 crore have, *prima facie*, been used during the year for non-current assets.

(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
(Firm Registration No. 117366W)

Rajesh K Hiranandani
Partner
(Membership No. 36920)

Place: Panaji - Goa
Date: April 27, 2013

Balance Sheet as at March 31, 2013

₹ in crore

Particulars	Note	March 31, 2013	March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' fund			
Share capital	3	86.91	86.91
Reserves and surplus	4	12,936.88	12,826.28
		13,023.79	**12,913.19**
Non-current liabilities			
Long-term borrowings	5	1,179.16	1,109.07
Deferred tax liabilities (Net)	6	10.40	85.10
Other long-term liabilities	7	2.32	2.70
Long-term provisions	8	1.81	1.72
		1,193.69	**1,198.59**
Current liabilities			
Short-term borrowings	9	3,322.38	2,490.06
Trade payables	10	470.20	737.40
Other current liabilities	11	242.92	293.80
Short-term provisions	12	34.46	205.06
		4,069.96	**3,726.32**
Total		**18,287.44**	**17,838.10**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	13	1,468.57	983.14
Intangible assets	13	86.02	9.85
Capital work-in-progress		363.30	681.00
Non-current investments	14	14,598.82	14,224.87
Long-term loans and advances	15	421.93	162.88
		16,938.64	**16,061.74**
Current assets			
Current investments	16	127.70	195.75
Inventories	17	756.02	757.29
Trade receivables	18	140.44	462.19
Cash and cash equivalents	19	24.88	72.01
Short-term loans and advances	20	289.34	289.12
Other current assets	21	10.42	-
		1,348.80	**1,776.36**
Total		**18,287.44**	**17,838.10**
See accompanying notes forming part of the financial statements	1 - 51		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh K Hiranandani
Partner

Place: Panaji - Goa
Date: April 27, 2013

For and on behalf of the Board of Directors

P. K. Mukherjee
Managing Director

Amit Pradhan
Director

S. L. Bajaj
Director-Finance

C. D. Chitnis
Company Secretary

Place: Panaji - Goa
Date: April 27, 2013

SECTION 04

Statement of Profit and Loss for the year ended March 31, 2013

₹ in crore

Particulars	Note	March 31, 2013	March 31, 2012
INCOME			
Revenue from operations		2,448.30	7,104.34
Less: Excise duty		100.67	78.89
		2,347.63	7,025.45
Less: Ocean freight		159.71	512.00
Net revenue from operations	22	2,187.92	6,513.45
Other income	23	341.99	386.33
Total		**2,529.91**	**6,899.78**
EXPENSES			
Cost of materials consumed		820.49	588.81
Purchase of stock-in-trade		105.78	367.01
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(263.97)	31.91
Employee benefits expense	25	184.62	191.44
Finance costs	26	469.23	420.00
Depreciation and amortisation expense	13	147.91	83.85
Other expenses	27	999.15	2,729.73
Total		**2,463.21**	**4,412.75**
Profit before exceptional items and tax		66.70	2,487.03
Exceptional item	31	9.71	66.09
Profit before tax		56.99	2,420.94
Less: Tax expense			
Current tax		-	719.00
Current tax in respect of prior years		10.92	-
Deferred tax		(74.70)	22.00
		(63.78)	741.00
Profit for the year		**120.77**	**1,679.94**
Earnings per equity share of ₹ 1 each	47		
Basic		1.39	19.33
Diluted		1.39	19.33
See accompanying notes forming part of the financial statements	1 - 51		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh K Hiranandani
Partner

Place: Panaji - Goa
Date: April 27, 2013

For and on behalf of the Board of Directors

P. K. Mukherjee
Managing Director

Amit Pradhan
Director

S. L. Bajaj
Director-Finance

C. D. Chitnis
Company Secretary

Place: Panaji - Goa
Date: April 27, 2013

Cash Flow Statement for the year ended March 31, 2013

₹ in crore

	Particulars	March 31, 2013	March 31, 2012
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Profit before tax	56.99	2,420.94
	Adjustments for:		
	Depreciation and amortisation expense	147.91	83.85
	Interest expense	278.29	236.79
	Interest income	(3.58)	(13.09)
	Dividend income	(316.69)	(273.17)
	Profit on sale of fixed assets (net)	(0.63)	(0.83)
	Profit on sale of current investments (net)	(12.00)	(97.00)
	Provision for doubtful trade receivables	0.07	-
	Net unrealised exchange loss/(gain)	70.09	176.58
	Operating profit before working capital changes	220.45	2,534.07
	Changes in working capital		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	1.27	(121.19)
	Trade receivables	321.68	44.68
	Short-term loans and advances	0.37	(14.79)
	Long-term loans and advances	0.61	(1.43)
	Other current assets	(10.42)	-
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	(267.20)	(140.61)
	Other current liabilities	(74.99)	78.57
	Other long-term liabilities	(0.38)	(74.81)
	Short-term provisions	0.97	5.80
	Long-term provisions	0.09	-
		(28.00)	(223.78)
	Cash generated from operations	192.45	2,310.29
	Income taxes paid	(320.75)	(771.71)
	Net cash flow (used in) / from operating activities (A)	**(128.30)**	**1,538.58**
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	Capital expenditure on fixed assets, including capital advances	(340.67)	(481.41)
	Proceeds from sale of fixed assets	2.30	1.97
	Purchase of current investments	(7,875.67)	(20,159.85)
	Redemption of current investments	7,955.72	27,811.64
	Investments in		
	Subsidiaries	(373.95)	(584.34)
	Associates	-	(11,927.26)
	Inter corporate deposits repaid	-	1,000.00
	Inter corporate deposits placed	(0.59)	(6.17)
	Proceeds on maturity of fixed deposits	-	10.00
	Interest received	3.58	27.21
	Dividend received	316.69	273.17
	Net cash flow (used in) / from investing activities (B)	**(312.59)**	**(4,035.04)**

Cash Flow Statement (contd.) for the year ended March 31, 2013

₹ in crore

	Particulars	March 31, 2013	March 31, 2012
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from short term borrowings	4,719.49	5,959.16
	Repayment of short term borrowings	(3,517.82)	(4,750.00)
	Net changes in other short term borrowings	(369.35)	1,242.93
	Interest paid (includes interest capitalised)	(256.64)	(232.11)
	Dividend and taxes paid thereon	(181.74)	(527.35)
	Net cash flow (used in) / from financing activities (C)	**393.94**	**1,692.63**
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**(46.95)**	**(803.83)**
	Cash and cash equivalents at the beginning of the year	62.50	866.33
	Cash and cash equivalents at the end of the year	**15.55**	**62.50**
	Reconciliation of Cash and cash equivalents with the Balance Sheet:		
	Cash and cash equivalents as per Balance Sheet (refer note 19)	24.88	72.01
	Less: Unpaid dividend account	(9.33)	(9.51)
	Cash and cash equivalents at the end of the year *	**15.55**	**62.50**
	* comprises:		
	Cash on hand	0.04	0.07
	Cheques, drafts on hand	5.92	6.27
	Balances with banks		
	In current accounts	9.59	56.16
		15.55	**62.50**

Figures in brackets represent outflows

See accompanying notes forming part of the financial statements (1-51)

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh K Hiranandani
Partner

Place: Panaji - Goa
Date: April 27, 2013

For and on behalf of the Board of Directors

P. K. Mukherjee
Managing Director

Amit Pradhan
Director

S. L. Bajaj
Director-Finance

C. D. Chitnis
Company Secretary

Place: Panaji - Goa
Date: April 27, 2013

NOTE 1 CORPORATE INFORMATION

Sesa Goa Limited ("Sesa" / "the Company") is a major producer and exporter of iron ore in the private sector in India and has been in operation for more than six decades. The Company is a majority owned and controlled subsidiary of Vedanta Resources plc, the London listed FTSE 100 diversified metals and mining major. Sesa has been involved in iron ore exploration, mining, beneficiation and exports. Sesa has iron ore mining operations in Goa and Karnataka. It has 100% stake in Western Cluster Limited, a Liberia based company engaged in developing the Western Cluster Iron Ore Deposits into a large integrated iron ore project. Sesa is also into manufacturing pig iron and metallurgical coke.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

i) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared on accrual basis under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

ii) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) and the reported amount of income and expenses during the year. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the period in which the results are known /materialised.

iii) Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale including octroi and other levies, transit insurance and receiving charges. Finished goods and work in progress include apportionment of fixed and variable overheads and excise duty, wherever applicable.

iv) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

v) Depreciation and amortisation

Depreciation has been provided for on the straight line method (SLM) as per the rates prescribed in Schedule XIV to the Companies Act, 1956, except in respect of the following assets:

- Vehicles, furniture and computers are depreciated at an annual rate of 20%, 10% and 30% respectively to bring it in line with the useful life of the assets.
- Railway wagons procured under Wagon Investment Scheme (WIS) are depreciated at the rate of 10% per annum on SLM basis.
- Mining leases in proportion to actual quantity of ore extracted there from.
- Amounts paid for renewal of forest clearances and stamp duties in respect of owned mining leases over the operating period of lease.
- Individual items of assets costing upto ₹ 5,000 are fully depreciated in the year of acquisition.

Depreciation is 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.

Intangible assets are amortised over their estimated useful life. Computer software expenses are amortised over the period of the license or thirty six months, as the case may be.

vi) Revenue recognition

Sale of goods

Revenue is recognised when significant risks and rewards of ownership of the goods sold are transferred to the customer and the goods have been delivered to the shipping agent/customer. Revenue represents the invoice value of goods provided to third parties net of discounts and adjustments arising on analysis variances. Revenues include excise duty but exclude sales tax and value added tax.

Sale of services

Revenues for services is recognised on rendering of services.

Other Income

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

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

vii) Fixed assets (Tangible and Intangible)

Fixed assets are carried at historical cost (net of available Central and State VAT credit) less accumulated depreciation / amortisation and impairment losses, if any. Cost of fixed assets include purchase price, expenses incidental to making the assets ready for its intended use, attributable borrowing costs and net of any trade discounts and rebates.

The Company's mining leases having ore reserves are not valued, however, amounts paid to government authorities towards renewal of forest clearances and stamp duties in respect of owned mining leases are capitalised as a part of mining rights.

Notes forming part of the financial statements as at and for the year ended March 31, 2013

Machinery Spares

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Capital work in progress

Projects under which assets are not ready for their intended use and other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

viii) Foreign currency transactions and translations

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction or at rates that closely approximates the rate at the date of the transaction. Monetary items outstanding at the reporting date are restated at the year end rates. Non-monetary items are carried at historical cost. Exchange differences arising on restatement or settlement is charged to the Statement of Profit and Loss.

ix) Foreign currency forward contracts

The Company enters into forward contracts to hedge its exposure to foreign currency. The Company does not hold these forward contracts for trading or speculative purposes. The premium or discount arising at the inception of such contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts is recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

x) Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

xi) Investments

Long term investments are carried individually at cost less provision for diminution, other than temporary, in the value of investments, if any. Current investments are carried individually, at lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

xii) Employee benefits

Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

Long term employee benefits

Defined contribution plans:

Provident fund:

The Company's contribution to the provident fund and pension fund paid / payable during the year is debited to the Statement of Profit and Loss. The shortfall in provident fund, if any, between the return guaranteed by the statute and actual earnings of the Fund is provided for by the Company and contributed to the Fund. The net actuarial liability of the Company's obligation for interest rate guarantee is determined at the year end based on an independent actuarial valuation and the shortfall, if any, recognised in the Statement of Profit and Loss.

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.

Defined benefit plans:

Gratuity fund:

The Company accounts for the net actuarial liability of its obligations for gratuity benefits based on an independent actuarial valuation determined using the projected unit credit method carried out 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 Statement of Profit and Loss.

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 Statement of Profit and Loss.

xiii) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest cost. 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 to the extent regarded as an adjustment to interest cost are charged to Statement of Profit and Loss and included under "Finance costs".

xiv) Segment reporting

The Company is in the business of mining and sale of iron ore and 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 iron 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 revenues, 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. Revenues, 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 revenues / 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 the enacted tax laws and in the case of deferred taxes, at rates that have been substantively 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.

xvi) **Impairment of assets**

The carrying amounts of assets are reviewed for impairment at each balance sheet date, 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 Statement of Profit and Loss.

xvii) **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 the best estimate of the amount 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.

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 3 SHARE CAPITAL

Particulars	March 31, 2013		March 31, 2012	
	Number of Shares	₹ in crore	Number of Shares	₹ in crore
Authorised				
Equity shares of ₹ 1 each with voting rights	1,000,000,000	100.00	1,000,000,000	100.00
Issued, subscribed and fully paid-up				
Equity shares of ₹ 1 each with voting rights, fully paid-up	869,101,423	86.91	869,101,423	86.91
Total	**869,101,423**	**86.91**	**869,101,423**	**86.91**

a. There has been no movement in the equity shares outstanding at the beginning and at the end of the year.

b. Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is paid as and when declared by the Board. Repayment of capital, if any, will be in proportion to the number of equity shares held.

c. Shares held by ultimate holding company and its intermediaries

Particulars	March 31, 2013		March 31, 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Finsider International Company Limited	401,496,480	46.20	401,496,480	46.20
West Globe Limited	44,343,139	5.10	44,343,139	5.10
Twinstar Holdings Limited	33,274,000	3.83	33,274,000	3.83

All the above entities are subsidiaries of Vedanta Resources plc. Accordingly, Vedanta Resources plc. is the ultimate holding company.

d. Details of shareholders holding more than 5% shares in the Company other than as shown in (c) above

Name of Shareholder	March 31, 2013		March 31, 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Franklin Templeton Investment Funds	85,073,669	9.79	85,073,669	9.79

e. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	**March 31, 2013 Number of Shares**	March 31, 2012 Number of Shares
Equity shares allotted as fully paid-up shares for consideration other than cash pursuant to a scheme of amalgamation	9,398,864	9,398,864
Equity shares allotted as fully paid-up bonus shares by way of capitalisation of reserves and securities premium account	393,620,200	393,620,200

f. Terms of securities convertible into equity shares

For shares to be issued on conversion of Foreign Currency Convertible Bonds, refer note 5

NOTE 4 RESERVES AND SURPLUS

₹ in crore

Particulars	**March 31, 2013**	March 31, 2012
Capital reserve		
Balance as at the beginning and end of the year	0.25	0.25
Securities premium account		
Balance as at the beginning and end of the year	1,869.42	1,869.42
Amalgamation reserve		
Balance as at the beginning and end of the year	2.14	2.14
General reserve		
Balance as at the beginning of the year	8,992.37	8,492.37
Add: Transferred from surplus balance in the Statement of Profit and Loss	5.00	500.00
Balance as at the end of the year	8,997.37	8,992.37
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	1,962.10	1,137.72
Add: Profit for the year	120.77	1,679.94
	2,082.87	2,817.66
Less:		
Interim dividend	-	(173.82)
Proposed final dividend	(8.69)	(173.82)
Tax on dividends *	(1.48)	(7.92)
Transfer to general reserve	(5.00)	(500.00)
Balance as at the end of the year	2,067.70	1,962.10
Total	**12,936.88**	**12,826.28**

*net of corporate dividend tax credit on dividend received from a subsidiary in respect of previous year.

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 5 LONG-TERM BORROWINGS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Unsecured		
Foreign currency convertible bonds (refer footnote)	1,179.16	1,109.07
Total	**1,179.16**	**1,109.07**

During the year ended March 31, 2010, the Company had issued 5,000 Foreign Currency Convertible Bonds ("FCCBs") aggregating USD 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 and at a fixed rate of exchange on conversion of ₹ 48.00 per USD 1.00 at any time on or after December 9, 2009. The conversion price is subject to adjustment in certain circumstances. Unless previously converted, redeemed or repurchased and cancelled, the FCCBs fall due for redemption on October 31, 2014 at par.

Upto March 31, 2013, 2,832 FCCB's have been converted into 39,188,159 equity shares. No conversion has been made during the year.

FCCB proceeds aggregating ₹ 1,040.86 crore have been utilised for the Company's capital projects.

NOTE 6 DEFERRED TAX LIABILITIES (NET)

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Deferred tax liabilities:		
Depreciation allowance	115.09	95.90
	115.09	95.90
Deferred tax assets:		
Unabsorbed depreciation and business losses (refer footnote)	90.34	-
Compensated absences	6.99	6.36
Others	7.36	4.44
	104.69	10.80
Deferred tax liabilities (Net)	**10.40**	**85.10**

Recognised since future taxable income will be available from reversal of deferred tax liability recognised at the Balance Sheet date.

NOTE 7 OTHER LONG-TERM LIABILITIES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Security deposits received	2.32	2.70
Total	**2.32**	**2.70**

NOTE 8 LONG TERM PROVISIONS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Provision - Others		
Provision for mine closure (refer note 48)	1.81	1.72
Total	**1.81**	**1.72**

NOTE 9 SHORT TERM BORROWINGS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Secured:		
Loans repayable on demand from banks		
Cash credit	-	1.50
(Secured against hypothecation of finished goods, consumables, stores, book debts and lodgement of letters of credit)		
	-	1.50
Unsecured:		
Other loans and advances		
Packing credit in foreign currencies from banks	911.56	1,279.40
Commercial paper [Maximum balance outstanding during the year ₹ 3,041.60 crore (Previous year ₹ 2,469.75 crore)]	2,352.14	1,125.49
Buyers' credit	58.68	83.67
	3,322.38	2,488.56
Total	**3,322.38**	**2,490.06**

NOTE 10 TRADE PAYABLES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Other than acceptances		
Micro and small enterprises (refer note 42)	0.11	0.28
Others	470.09	737.12
Total	**470.20**	**737.40**
Trade payables others include:		
Accrued payroll	22.13	19.71
Accrued expenses	121.48	174.05

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 11 OTHER CURRENT LIABILITIES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Interest accrued but not due on borrowings	51.65	27.36
Unclaimed dividends (refer footnote)	9.33	9.51
Unclaimed matured deposits and interest accrued thereon (refer footnote)	0.06	0.06
Other payables		
Statutory liabilities including withholding taxes	35.61	33.02
Payables on account of fixed assets	50.35	53.80
Trade and security deposits received	7.52	21.68
Advances from customers	8.52	11.81
Amount withheld on acquisition of subsidiary as per share purchase agreement	49.20	124.20
Gratuity	6.43	7.72
Premium payable on foreign exchange forward contracts	20.21	-
Other liabilities	4.04	4.64
Total	**242.92**	**293.80**

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

NOTE 12 SHORT TERM PROVISIONS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Provision for employee benefits		
Compensated absences	24.29	23.32
Provision - Others		
Proposed final dividend	8.69	173.82
Tax on proposed final dividend	1.48	7.92
Total	**34.46**	**205.06**

SECTION 04

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 13 FIXED ASSETS

₹ in crore

Particulars	Gross block				Depreciation / Amortisation				Net block	
	Balance as at April 1, 2012	Additions	Disposals	**Balance as at March 31, 2013**	Balance as at April 1, 2012	For the year	Eliminated on disposal of assets	**Balance as at March 31, 2013**	**As at March 31, 2013**	As at March 31, 2012
Tangible assets										
Mining leases	**16.60**	-	-	**16.60**	**13.05**	**0.68**	-	**13.73**	**2.87**	**3.55**
	(16.60)	(-)	(-)	(16.60)	(12.10)	(0.95)	(-)	(13.05)	(3.55)	(4.50)
Mining concessions	**0.68**	-	-	**0.68**	**0.65**	-	-	**0.65**	**0.03**	**0.03**
	(0.68)	(-)	(-)	(0.68)	(0.65)	(-)	(-)	(0.65)	(0.03)	(0.03)
Land plots (refer footnote a)	**152.80**	**5.30**	-	**158.10**	**0.05**	-	-	**0.05**	**158.05**	**152.75**
	(135.95)	(16.85)	(-)	(152.80)	(0.05)	(-)	(-)	(0.05)	(152.75)	(135.90)
Road and bunders	**5.60**	**4.35**	-	**9.95**	**0.79**	**0.14**	-	**0.93**	**9.02**	**4.81**
	(4.60)	(1.00)	(-)	(5.60)	(0.70)	(0.09)	(-)	(0.79)	(4.81)	(3.90)
Buildings	**81.33**	**183.33**	**0.07**	**264.59**	**16.01**	**5.84**	**0.07**	**21.78**	**242.81**	**65.32**
	(64.01)	(17.40)	(0.08)	(81.33)	(14.31)	(1.74)	(0.04)	(16.01)	(65.32)	(49.70)
Plant and equipment	**940.98**	**389.36**	**12.75**	**1,317.59**	**378.53**	**77.40**	**11.55**	**444.38**	**873.21**	**562.45**
	(768.52)	(186.46)	(14.00)	(940.98)	(331.03)	(60.78)	(13.28)	(378.53)	(562.45)	(437.49)
Furniture and fixtures	**7.54**	**0.25**	**0.14**	**7.65**	**3.46**	**0.68**	**0.11**	**4.03**	**3.62**	**4.08**
	(6.42)	(1.18)	(0.06)	(7.54)	(2.85)	(0.66)	(0.05)	(3.46)	(4.08)	(3.57)
Vehicles	**15.35**	**1.63**	**1.30**	**15.68**	**7.98**	**2.61**	**1.05**	**9.54**	**6.14**	**7.37**
	(14.35)	(3.05)	(2.05)	(15.35)	(7.41)	(2.37)	(1.80)	(7.98)	(7.37)	(6.94)
Office equipment	**11.13**	**0.32**	**0.22**	**11.23**	**2.69**	**0.54**	**0.18**	**3.05**	**8.18**	**8.44**
	(9.34)	(1.85)	(0.06)	(11.13)	(2.14)	(0.57)	(0.02)	(2.69)	(8.44)	(7.20)
Aircraft	**1.46**	**0.66**	-	**2.12**	**0.54**	**0.11**	-	**0.65**	**1.47**	**0.92**
	(1.46)	(-)	(-)	(1.46)	(0.46)	(0.08)	(-)	(0.54)	(0.92)	(1.00)
River fleet	**155.21**	**0.07**	-	**155.28**	**18.18**	**5.18**	-	**23.36**	**131.92**	**137.03**
	(66.36)	(89.00)	(0.15)	(155.21)	(14.76)	(3.49)	(0.07)	(18.18)	(137.03)	(51.60)
Ship	**99.12**	-	**0.28**	**98.84**	**62.73**	**4.99**	**0.13**	**67.59**	**31.25**	**36.39**
	(97.80)	(1.32)	(-)	(99.12)	(57.77)	(4.96)	(-)	(62.73)	(36.39)	(40.03)
Total tangible assets	**1,487.80**	**585.27**	**14.76**	**2,058.31**	**504.66**	**98.17**	**13.09**	**589.74**	**1,468.57**	**983.14**
	(1,186.09)	(318.11)	(16.40)	(1,487.80)	(444.23)	(75.69)	(15.26)	(504.66)	(983.14)	(741.86)
Intangible assets										
Mining rights	**12.10**	**124.53**	-	**136.63**	**11.79**	**44.19**	-	**55.98**	**80.65**	**0.31**
	(12.10)	(-)	(-)	(12.10)	(9.09)	(2.70)	(-)	(11.79)	(0.31)	(3.01)
Computer software	**16.36**	**1.38**	-	**17.74**	**6.82**	**5.55**	-	**12.37**	**5.37**	**9.54**
	(16.36)	(-)	(-)	(16.36)	(1.36)	(5.46)	(-)	(6.82)	(9.54)	(15.00)
Total intangible assets	**28.46**	**125.91**	-	**154.37**	**18.61**	**49.74**	-	**68.35**	**86.02**	**9.85**
	(28.46)	(-)	(-)	(28.46)	(10.45)	(8.16)	(-)	(18.61)	(9.85)	(18.01)
Total	**1,516.26**	**711.18**	**14.76**	**2,212.68**	**523.27**	**147.91**	**13.09**	**658.09**	**1,554.59**	**992.99**
	(1,214.55)	(318.11)	(16.40)	(1,516.26)	(454.68)	(83.85)	(15.26)	(523.27)	(992.99)	(759.87)

a. Land plots include under perpetual lease ₹ 1.99 crore (Previous year ₹ 1.99 crore)

b. Figures in brackets relate to previous year

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 14 NON CURRENT INVESTMENTS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Long term investments (at cost)		
Trade investments		
Investment in equity instruments (unquoted)		
In subsidiary companies		
Sesa Resources Limited 1,250,000 (Previous year 1,250,000) equity shares of ₹ 10 each fully paid-up	1,713.24	1,713.24
Bloom Fountain Limited 1,000,001 (Previous year 1,000,001) equity shares of USD 1 each fully paid-up	4.43	4.43
Goa Energy Limited 10,000 (Previous year 10,000) equity shares of ₹ 10 each fully paid-up	14.02	14.02
Investment in preference shares (unquoted)		
In subsidiary companies		
Bloom Fountain Limited 1,859,900 (Previous year 1,167,500) 0.25% Optional convertible redeemable preference shares of USD 1 each fully paid-up	906.84	528.32
Goa Energy Limited 40,000 (Previous year Nil) 0% redeemable preference shares of ₹ 10 each fully paid-up	0.04	-
Application money pending allotment of shares		
In subsidiary companies		
Goa Energy Limited	32.96	33.00
Bloom Fountain Limited	-	4.57
Other investments		
Investment in equity instruments (quoted)		
In an associate company		
Cairn India Limited 351,140,413 (Previous year 351,140,413) equity shares of ₹ 10 each fully paid-up	11,927.26	11,927.26
Investment in equity instruments (unquoted)		
In other companies		
Goa Shipyard Limited 62,707 (Previous year 62,707) equity shares of ₹ 10 each fully paid-up	0.03	0.03
In co-operative societies		
Sesa Ghor Premises Holders' Maintenance Society Limited 20 (Previous year 20) equity shares of ₹ 200 each fully paid-up [₹ 4,000 (Previous year ₹ 4,000)]	-	-

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 14 NON CURRENT INVESTMENTS (CONTD.)

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Sesa Goa Sirsaim Employees' Consumers Co-operative Society Limited 200 (Previous year 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 (Previous year 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 (Previous year 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 (Previous year 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 (Previous year 500) equity shares of ₹ 10 each fully paid-up [₹ 5,000 (Previous year ₹ 5,000)]	-	-
The Mapusa Urban Cooperative Bank Limited 40 (Previous year 40) equity shares of ₹ 25 each fully paid-up [₹ 1,000 (Previous year ₹ 1,000)]	-	-
	14,598.82	14,224.87
Less : Provision for dimunition in value of Investments [₹ 5,000 (Previous year ₹ 5,000)]	-	-
Total	**14,598.82**	**14,224.87**
Aggregate amount of quoted investments [Market value ₹ 9,566.82 crore (Previous year ₹ 11,724.58 crore)]	11,927.26	11,927.26
Aggregate amount of unquoted investments	2,671.56	2,297.61

NOTE 15 LONG TERM LOANS AND ADVANCES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Unsecured, considered good		
Capital advances	86.28	136.45
Security deposits	0.91	0.76
Loans and advances to employees	0.14	0.22
Prepaid expenses	3.14	3.82
Advance income tax (net of provision for income tax)	331.46	21.63
Total	**421.93**	**162.88**

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 16 CURRENT INVESTMENTS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Unquoted (at lower of cost and fair value)		
In mutual funds		
Axis Liquid Fund - Growth 33,069 (Previous year Nil) units	4.25	-
Birla Sun Life Cash Plus - Institutional - Daily Dividend Reinvestment Nil (Previous year 571,494) units	-	6.17
Birla Sun Life Cash Plus - Regular Plan - Growth 825,851 (Previous year Nil) units	15.44	-
Canara Robeco Liquid - Super Institutional - Daily Dividend Reinvestment Nil (Previous year 298,563) units	-	30.02
Canara Robeco Liquid Fund - Regular - Growth 104,858 (Previous year Nil) units	14.88	-
DSP Blackrock Liquidity Fund - Institutional Plan - Growth 26,994 (Previous year Nil) units	4.52	-
HDFC Liquid Fund - Growth 2,281,735 (Previous year Nil) units	5.25	-
ICICI Prudential Liquid Plan - Super Institutional - Daily Dividend Nil (Previous year 3,524,203) units	-	35.25
IDFC Cash Fund - Super Institutional Plan C - Daily Dividend Nil (Previous year 12,037) units	-	1.21
IDFC Cash Fund - Regular Plan - Growth 117,485 (Previous year Nil) units	16.73	-
Kotak Liquid Institutional Premium - Daily Dividend Nil (Previous year 40,907,942) units	-	50.02
Kotak Mahindra - Liquid scheme Plan A - Growth 64,660 (Previous year Nil) units	15.31	-
L & T Liquid Fund - Growth 63,609 (Previous year Nil) units	10.18	-
Reliance Liquidity Fund - Daily Dividend Reinvestment Nil (Previous year 3,940,795) units	-	3.94
Reliance Liquid Fund Treasury Plan - Growth 53,450 (Previous year Nil) units	15.24	-
Religare Liquid Fund - Super Institutional - Daily Dividend Nil (Previous year 505,841) units	-	50.63
Religare Liquid Fund - Super Institional - Growth 96,431 (Previous year Nil) units	15.52	-
Tata Liquid Fund - Super High Investment - Daily Dividend Nil (Previous year 166,069) units	-	18.51
Tata Liquid Fund - Plan A - Growth 48,195 (Previous year Nil) units	10.38	-
Total	**127.70**	**195.75**
Aggregate amount of unquoted investments	127.70	195.75

SECTION 04

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 17 INVENTORIES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
At lower of cost and net realisable value		
Raw materials [including goods in transit ₹ 40.54 crore (Previous year ₹ 54.95 crore)]	177.36	444.08
Work-in-progress	-	0.15
Finished goods		
Iron ore	321.38	200.86
Metallurgical coke	97.52	39.16
Pig iron	113.72	28.48
	532.62	268.50
Consumables, stores and spares	46.04	44.56
Total	**756.02**	**757.29**

NOTE 18 TRADE RECEIVABLES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	20.78	31.93
Doubtful	0.09	0.02
	20.87	31.95
Less: Provision for doubtful trade receivables	0.09	0.02
	20.78	31.93
Others trade receivables (refer footnote)		
Unsecured, considered good	119.66	430.26
Total	**140.44**	**462.19**
Other trade receivables include amount in respect of sale of iron ore not due, then pending decision from the Supreme Court.	-	128.71

NOTE 19 CASH AND CASH EQUIVALENTS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Cash on hand	0.04	0.07
Cheques, drafts on hand	5.92	6.27
Balances with banks		
In current accounts	9.59	56.16
In earmarked accounts		
Unpaid dividend account	9.33	9.51
Total	**24.88**	**72.01**
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is	15.55	62.50

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 20 SHORT TERM LOANS AND ADVANCES

₹ in crore

Particulars	**March 31, 2013**	March 31, 2012
Unsecured, considered good unless otherwise stated		
Loans and advances to related parties (refer note 46)		
Inter-corporate deposits	33.47	32.88
Others	17.00	3.50
Loans and advances to employees	0.18	0.41
Prepaid expenses	5.42	6.02
Security deposits	31.97	17.46
Balance with government authorities		
CENVAT credit receivable	3.20	6.32
VAT credit receivable	14.25	15.66
Service tax credit receivable	7.74	11.58
Export duty receivable	65.69	57.15
Service tax refund receivable	6.51	26.10
Deposit with government authorities pursuant to a Court order	40.23	40.23
Others	0.64	0.65
Advances to suppliers		
Considered good	63.04	71.16
Doubtful	0.62	0.62
	63.66	71.78
Less:Provision for doubtful advances	0.62	0.62
	63.04	71.16
Total	**289.34**	**289.12**

NOTE 21 OTHER CURRENT ASSETS

₹ in crore

Particulars	**March 31, 2013**	March 31, 2012
Unamortised premium on foreign exchange forward contracts	7.32	-
Mark to market of foreign exchange forward contracts (with corresponding effect in borrowings)	3.10	-
Total	**10.42**	**-**

SECTION 04

NOTE 22 REVENUE FROM OPERATIONS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
a. Sale of products		
Sale of iron ore	1,375.61	6,059.92
Less: Ocean freight	158.03	510.09
	1,217.58	5,549.83
Sale of metallurgical coke	171.94	200.73
Less: Excise duty	10.11	9.92
	161.83	190.81
Less: Ocean freight	0.09	0.02
	161.74	190.79
Sale of pig iron	866.74	791.10
Less: Excise duty	90.56	68.97
	776.18	722.13
Less: Ocean freight	1.59	1.89
	774.59	720.24
	2,153.91	6,460.86
b. Sale of services		
Hire of transhipper	1.71	3.68
Hire of barges and jetties	5.15	14.16
Repairs of vessels by shipyard	3.62	1.64
Other services	1.60	8.28
	12.08	27.76
c. Other operating revenues		
Sale of materials	9.48	8.96
Sale of carbon credits	2.76	7.94
Sale of gases	4.73	2.95
Sale of slag	4.96	4.98
	21.93	24.83
Total	**2,187.92**	**6,513.45**

SECTION 04

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 23 OTHER INCOME

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Interest		
on inter-corporate deposits	3.34	6.61
on bank deposits	-	4.79
others	0.24	1.69
Dividends		
on long term investments		
subsidiaries / associates	300.57	187.50
others	0.04	-
on current investments	16.08	85.67
Profit on sale of current investments (net)	12.00	97.00
Profit on sale of fixed assets (net)	0.63	0.83
Other non-operating income	9.09	2.24
Total	**341.99**	**386.33**

NOTE 24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN- PROGRESS AND STOCK IN TRADE

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Inventories at the beginning of the year		
Finished goods		
Iron ore	200.86	226.52
Metallurgical coke	39.16	35.14
Pig iron	28.48	38.58
Work in progress (Metallurgical coke)	0.15	0.32
	268.65	300.56
Inventories at the end of the year		
Finished goods		
Iron ore	321.38	200.86
Metallurgical coke	97.52	39.16
Pig iron	113.72	28.48
Work in progress (Metallurgical coke)	-	0.15
	532.62	268.65
Net decrease / (increase)	**(263.97)**	**31.91**

NOTE 25 EMPLOYEE BENEFITS EXPENSE

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Salaries, wages and incentives	153.98	155.72
Contributions to provident and other funds	17.16	17.67
Staff welfare expenses	13.48	18.05
Total	**184.62**	**191.44**

NOTE 26 FINANCE COSTS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Interest expense		
Working capital loans and commercial paper	210.73	186.67
Foreign currency convertible bonds	63.39	45.17
Others	4.17	4.95
Other borrowing costs	0.75	1.38
Net loss on foreign currency transactions and translations in respect of borrowings	190.19	181.83
Total	**469.23**	**420.00**

NOTE 27 OTHER EXPENSES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Consumption of stores and spare parts	159.96	280.03
Repairs and maintenance		
Plant and equipment	25.55	15.23
Buildings	4.41	2.79
Others	2.11	3.23
Contractors for hired trucks and other services	163.62	501.57
Hire of barges	6.79	43.17
Wharfage, tonnage, handling and shipping expenses	39.08	88.27
Rent	2.97	4.60
Royalty and cess	58.46	242.00
Rates and taxes	1.84	5.33
Insurance	8.07	9.35
Power and Fuel	19.78	15.17
Water charges	0.16	1.59
Excise duty on variaion in stocks of finished goods	13.13	0.16

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 27 OTHER EXPENSES (CONTD.)

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Payments to auditors		
as Auditors - statutory audit	0.30	0.30
for taxation matters	0.02	0.03
for other services	2.09	0.44
Reimbursement of expenses	0.05	0.06
Sitting fees and commission to non wholetime directors	0.35	0.64
Travelling and representation expenses	5.37	9.47
Professional and legal charges	32.08	46.18
Donations and contributions (refer note 43)	2.17	6.03
Expenses towards corporate social responsibility	18.88	18.92
Provision for doubtful trade receivables	0.07	-
Export duty	341.95	1,193.39
Demurrage over despatch	3.43	55.77
Commission and brokerage	2.74	0.58
Testing and analysis expenses	0.75	1.86
Net loss on foreign currency transactions and translations	58.18	167.52
Miscellaneous expenses	31.98	41.08
	1,006.34	2,754.76
Less: Extraction and processing cost recovered	7.19	25.03
Total	**999.15**	**2,729.73**

NOTE 28 The Shareholders at the Court convened meeting held on June 19, 2012, have approved a Scheme of Amalgamation and Arrangement amongst Sterlite Industries (India) Limited, The Madras Aluminum Company Limited, Sterlite Energy Limited, Vedanta Aluminium Limited, and Sesa Goa Limited ("the Company") and their respective shareholders and creditors (the "Scheme") and also a Concurrent Scheme of Amalgamation of Ekaterina Limited with the Company and their respective shareholders and creditors (the "Concurrent Scheme"). The Scheme and the Concurrent Scheme are inter-conditional and the Concurrent Scheme coming into effect is a condition precedent to the effectiveness of the Scheme. Further, the name of the Company is proposed to be changed from Sesa Goa Limited to Sesa Sterlite Limited pursuant to the Scheme of Amalgamation and Arrangement.

The High Court of Bombay at Goa, based on the petitions filed by the Company, has approved the Scheme vide its Order dated April 3, 2013.The Scheme is also subject to approval of the Honourable High Court of Madras wherein the hearings have been completed and the order is awaited.

Pending the above Court approval and also pending Court approvals in respect of other entities involved in the Scheme, no accounting impact of the Scheme has been given in these financial statements.

NOTE 29 During the year, the Company, through its wholly owned subsidiary, Bloom Fountain Limited has acquired the remaining 49% stake in Western Cluster Limited, Liberia ("WCL") for a cash consideration of ₹ 183.68 crore. Post this acquisition, WCL has become a wholly owned subsidiary. WCL will develop the Western Cluster Iron Ore Project in Liberia which includes development of iron ore deposits, necessary transportation and shipping infrastructure for export of iron ore.

NOTE 30 a) The Honourable Supreme Court of India has given clearance for resumption of mining operations for 'A' and 'B' category mines in Karnataka subject to statutory clearances, vide its Order dated April 18, 2013. The Company's Karnataka mines fall under the 'B' category of mines in Karnataka and is in process of securing the necessary statutory clearance to resume mining shortly.

b) The Government Authorities have ordered suspension of mining operations of all mining leases in the State of Goa, stoppage of mining transport across the State of Goa and suspension of environmental clearance in September, 2012. In October, 2012, the Supreme Court has ordered suspension of all mining operations and transportation of iron ore of the mines in the State. In view of the foregoing, operations at the Company's mines in Goa remain suspended. The Company has filed an application before the Supreme Court seeking modification or vacation of the aforesaid Order. Based on the favourable verdict of the Supreme Court lifting the suspension of iron ore mining in the State of Karnataka and the affidavit filed by the Government of Goa in the matter of resumption of mining in Goa, the Company expects a favourable outcome in the matter.

NOTE 31 Exceptional items for the current year pertain to expenditure in connection with the Company's Voluntary Retirement Scheme and for the previous year pertain to advisory fees, taxes thereon and other expenses incurred for the strategic investment in Cairn India Limited.

NOTE 32 The Company had acquired assets of Bellary Steel and Alloys Limited in 2010-11 for a consideration of ₹ 220 crore, on an "As is where is" basis.

The above acquisition has been challenged by JSW Limited in the Supreme Court. The Court has directed both the parties to maintain status quo till the matter is decided. In the meanwhile, freehold land at ₹ 121.12 crore continues to be included in fixed assets and balance ₹ 98.88 in capital work-in-progress.

NOTE 33 **CONTINGENT LIABILITIES:**

i) Guarantees (excluding the liability for which provisions have been made) amounting to ₹ 20.38 crore (Previous year ₹ 23.22 crore) given by the bankers in favour of various parties.

ii) Letters of Credit opened by the banks in favour of suppliers amounting to ₹ 86.87 crore (Previous year ₹ 138.19 crore).

iii) Bonds executed in favour of customs authorities in respect of export of iron ore ₹ 2,807.75 crore (Previous year ₹ 2,474.82 crore).

iv) Claims by custom authorities (under dispute) relating to differential export duty on export shipments ₹ 34.41 crore (Previous year ₹ 34.41 crore). The said amount is also included under bonds executed detailed in (iii) above.

v) Bills discounted under letters of credit with banks ₹ 16.13 crore (Previous year ₹ 137.03 crore).

vi) There are disputed income tax demands lying at appellate authorities for assessment years 2004-05 to 2011-12, aggregating ₹ 1,522.47 crore (Previous year ₹ 245.38 crore) including interest ₹ 322.36 crore (Previous year ₹ 62.36 crore) and penalty ₹ 200 crore (Previous year Nil). The Company has received a favourable order in respect of assessment year 2009-10 from the Income Tax Appellate Tribunal ("ITAT") allowing the claim of the company on all the major matters and with direction to the Assessing Officer (AO) to re-compute the taxable income. Most of the pending assessment years have similar matters as covered in the aforesaid order.

vii) Disputed forest development tax amounting to ₹ 195.36 crore (Previous year ₹ 195.36 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 ₹ 45.00 crore (Previous year ₹ 45.00 crore) has been furnished against this demand. Also, an amount of ₹ 40.23 crore (Previous year ₹ 40.23 crore) has been deposited against the aforesaid demand and same is included under Short term loans and advances.

viii) 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 ₹ 105.33 crore (Previous year ₹ 98.35 crore) challenged by way of writ petition in the High Court of Bombay, Panjim Bench.

ix) Guarantees issued to a bank in respect of facilities granted to a subsidiary ₹ 27.19 crore (Previous year ₹ Nil).

x) Other claims against the Company not acknowledged as debts:

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 ₹ 5.69 crore (Previous year ₹ 4.26 crore).

c) Demand from Railway authorities towards stacking charges amounting to ₹ 4.09 crore (Previous year ₹ 4.09 crore) appealed before Kolkata High court and stay obtained. A bank guarantee amounting to ₹ 4.09 crore (Previous year ₹ 4.09 crore) has been furnished against this demand.

d) Others ₹ 13.83 crore (Previous year ₹ 3.32 crore).

The above amounts are based on the demand notices or assessment orders or notification by the relevant authorities, as the case may be, and the Company is contesting these claims wih the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary.

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 34 COMMITMENTS:

a) Estimated amount of contracts remaining to be executed on capital account ₹ 43.91 crore (Previous year ₹ 145.29 crore).

b) Letter of support issued to Bloom Fountain Limited, wholly owned subsidiary, to provide financial support in order to allow it to meet its liabilities as they fall due for a period of not less than one year.

NOTE 35 DIRECT EXPENDITURE ON REPAIRS AND MAINTENANCE INCLUDED UNDER MAJOR HEADS OF EXPENSES ARE AS UNDER:

₹ in crore

Particulars	Plant and equipment	Buildings	Others	Total
Salaries, wages and incentives	18.66	2.60	0.34	21.60
	(20.04)	(0.42)	(4.36)	(24.82)
Consumption of stores and spare parts	26.05	1.26	0.11	27.42
	(93.85)	(1.46)	(0.20)	(95.51)
Contractors for hired trucks and other services	13.10	1.06	0.58	14.74
	(11.92)	(0.17)	(0.43)	(12.52)
Others	0.58	0.94	0.10	1.62
	(3.01)	(3.19)	(0.20)	(6.40)
Total	**58.39**	**5.86**	**1.13**	**65.38**
	(128.82)	(5.24)	(5.19)	(139.25)

Figures in brackets relate to previous year

NOTE 36 CAPITAL WORK-IN-PROGRESS INCLUDES

₹ in crore

Particulars	**March 31, 2013**	March 31, 2012
Pre-operative expenditure as follows:		
Balanace at begning of the year	29.19	10.92
Add : Pre operative expenditure transferred from Statement of Profit and Loss		
Employee benefits expense	1.85	3.43
Finance costs	2.65	14.74
Consumption of stores and spare parts	0.28	-
Repairs and maintenance-Others	0.34	-
Insurance	0.66	0.64
Travelling and representation expenses	0.27	0.10
Professional and legal charges	0.08	0.60
Miscellaneous expenses	1.90	2.17
	37.22	32.60
Less : Capitalised during the year	30.94	3.41
Balance at the end of the year	**6.28**	**29.19**

NOTE 37 I) VALUES FOR SALES, CLOSING AND OPENING INVENTORIES OF FINISHED GOODS

₹ in crore

Particulars	Iron ore	Metallurgical coke	Pig iron	Total
Opening stock as on April 1, 2012	200.86	39.16	28.48	268.50
	(226.52)	(35.14)	(38.58)	(300.24)
Sales	1,217.58	161.74	774.59	2,153.91
	(5,549.83)	(190.79)	(720.24)	(6,460.86)
Closing stock as on March 31, 2013	321.38	97.52	113.72	532.62
	(200.86)	(39.16)	(28.48)	(268.50)

Figures in brackets relate to previous year

II) CONSUMPTION OF RAW MATERIALS

₹ in crore

Particulars	**March 31, 2013**	March 31, 2012
Coal	595.90	459.14
Iron ore	189.09	107.83
Others	35.50	21.84
Total	**820.49**	**588.81**

NOTE 38 CIF VALUE OF IMPORTS AND CONSUMPTION OF STORES AND SPARE PARTS

₹ in crore

Particulars	**March 31, 2013**	March 31, 2012
i) Value of imports on CIF basis in respect of:		
a) Raw materials	351.84	697.22
b) Components and spare parts	20.57	13.92
c) Capital goods	111.59	27.62
ii) Consumption of imported raw materials, stores, spares parts & components 62.86% (Previous year 56.75%)	616.28	483.62
iii) Consumption of indigenous raw materials, stores, spares parts and components 37.14% (Previous year 43.25%)	364.17	368.57

SECTION 04

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 39 EXPENDITURE INCURRED IN FOREIGN CURRENCY

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Testing and analysis expenses	0.75	1.86
Travelling expenses	0.83	0.76
Demurrage	6.51	65.08
Ocean freight	159.71	512.00
Insurance	2.92	3.27
Repairs and maintenance - Plant and machinery	11.34	4.51
Salaries, wages and incentives	11.87	10.61
China office expenses	1.44	1.42
Interest expense	147.40	84.93
Professional and legal charges	3.22	64.24
Others	2.27	1.53

NOTE 40 EARNINGS IN FOREIGN CURRENCY

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Exports of goods on FOB basis	1,212.59	5,121.42
Despatch	3.08	9.31
Sale of carbon credits	2.76	7.94
Other services	0.05	-

NOTE 41 REMITTANCE OF DIVIDENDS IN FOREIGN CURRECY:

Particulars	March 31, 2013	March 31, 2012
Number of Non-resident shareholders	3	3
Number of shares held	479,113,619	479,113,619
Amount remitted (₹ in crore)		
2011-12	95.82	-
2011-12 (Interim)	-	95.82
2010-11	-	167.69

SECTION 04

NOTE 42 DISCLOSURES UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT 2006.

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Principal amount remaining unpaid to suppliers as at the end of accounting year.	0.11	0.28

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

NOTE 43 DONATIONS TO POLITICAL PARTIES:

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Bharatiya Janata Party	0.30	1.75
Indian National Congress (Goa Pradesh Congress Committee)	-	2.00
Maharashtrawadi Gomantak Party	-	0.50
All India Trinamool Congress	-	0.15
Nationalist Congress Party	-	0.25

NOTE 44 EMPLOYEE BENEFITS PLANS:

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 the 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 using "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

The details of the defined benefit plans are as below:

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Fair value of plan assets	36.30	33.34
Present value of defined benefit commitment	(42.73)	(41.06)
Net changes in liability recognised in the Balance Sheet	(6.43)	(7.72)
Defined benefit commitment		
Balance at beginning of the year	41.06	34.00
Current service cost	2.53	2.06
Benefits paid	(7.22)	(4.20)
Interest cost	3.28	2.72
Actuarial (gains)/losses	3.08	6.48
Balance at end of the year	42.73	41.06
Changes in fair value of plan assets		
Balance at beginning of the year	33.34	28.81
Adjustments relating to earlier years	(0.73)	-
Contribution made	8.05	5.97
Benefits paid	(7.22)	(4.20)
Return on plan assets	2.63	2.54
Actuarial gains/(losses)	0.23	0.22
Balance at end of the year	36.30	33.34

Notes forming part of the financial statements as at and for the year ended March 31, 2013

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

Particulars	March 31, 2013	March 31, 2012
Expected return on plan assets	2.63	2.54
Actuarial gain /(loss)	0.23	0.22
Actual return on plan assets	2.86	2.76

Expenses on defined benefit plan recognised in the Statement of Profit and Loss

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Current service cost	2.53	2.06
Actuarial (gains) /losses	2.85	6.26
Expected return on plan assets	(2.63)	(2.54)
Interest cost	3.28	2.72
Direct payments	0.01	(0.78)
Adjustments relating to earlier years	0.73	-
Total expenses accounted in the Statement of Profit and Loss	6.77	7.72

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 commitment's size, funding requirements.

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Rate on discounting liabilities	8%	8%
Expected salary increase rate	5% & 7%	5% & 7%
Expected rate of return on plan assets	9% & 9.45 %	9% & 9.4 %
Withdrawal rates	1% to 3%	1.50%
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 on a long term basis.

Experience adjustment

₹ in crore

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Present value of commitment	(42.73)	(41.06)	(34.00)	(25.58)	(21.84)
Fair value of the plans	36.30	33.34	28.81	22.45	17.61
Surplus / (deficit)	(6.43)	(7.72)	(5.19)	(3.13)	(4.23)
Experience adjustment on plan liabilities	1.05	0.79	3.28	0.60	2.88
Experience adjustment on plan assets	0.22	1.03	(1.92)	2.99	(0.04)

The contributions expected to be made by the Company during the financial year 2013-14 are ₹ 6.43 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 prescribed in the respective scheme.

A sum of ₹ 10.39 crore (Previous year ₹ 9.95 crore) has been charged to the Statement of Profit and Loss in this respect, the components of which are tabulated below:

₹ in crore

Particulars	**March 31, 2013**	March 31, 2012
Provident fund and family pension fund	6.81	6.49
Annuity fund	3.58	3.46
	10.39	**9.95**

The Company's provident fund is exempted under section 17 of the Employees Provident Fund Act, 1952. Conditions for grant of exemption stipulates that the employer shall make good deficiency, if any, between the return guaranteed by the statute and actual earning of the Fund.

Based on a Guidance Note from The Institute of Actuaries - Valuation of Interest Guarantees on Exempt Provident Funds under AS 15 (Revised 2005) for actuarially ascertaining such interest liability, there is no interest shortfall that is required to be met by the Company as at March 31, 2013.

NOTE 45 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.

Notes forming part of the financial statements as at and for the year ended March 31, 2013

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)	1,313.21 (5,677.65)	558.29 (550.51)	784.00 (730.47)		2,655.50 (6,958.63)
Less : Intersegment revenue	77.60 (94.89)	389.98 (350.29)	- (-)		467.58 (445.18)
Net revenue from operations	1,235.61 (5,582.76)	168.31 (200.22)	784.00 (730.47)		2,187.92 (6,513.45)
Other income	9.39 (2.53)	0.09 (0.17)	0.24 (0.37)		9.72 (3.07)
Segment revenue	1,245.00 (5,585.29)	168.40 (200.39)	784.24 (730.84)		2,197.64 (6,516.52)
Add : Interest income					3.58 (13.09)
Add : Dividend income					316.69 (273.17)
Add : Profit on sale of investment					12.00 (97.00)
Enterprise revenue					2,529.91 (6,899.78)
Segment result before tax, interest, dividend and other non- recuring / unallocable income	281.06 (2,462.37)	-68.08 (15.96)	-9.32 (45.44)		203.66 (2,523.77)
Less: Finance costs					469.23 (420.00)
Less: Exceptional item					9.71 (66.09)
Add : Interest income					3.58 (13.09)
Add : Dividend income					316.69 (273.17)
Add : Profit on sale of investment					12.00 (97.00)
Profit before taxation					56.99 (2,420.94)
Segment assets	1,815.54 (2,016.47)	470.94 (663.44)	909.50 (683.04)	15,091.46 (14,475.15)	18,287.44 (17,838.10)
Segment liabilities	328.17 (484.37)	233.58 (387.25)	121.20 (51.08)	4,580.70 (4,002.21)	5,263.65 (4,924.91)
Capital expenditure	269.04 (475.55)	18.62 (26.63)	55.65 (236.44)	- (-)	343.31 (738.62)
Depreciation and amortisation expense	108.56 (66.78)	14.23 (8.39)	25.12 (8.68)	- (-)	147.91 (83.85)
Significant non- cash expenses other than depreciation and amortisation expense	- (-)	- (-)	- (-)	70.16 (175.72)	70.16 (175.72)

Figures in brackets relate to previous year

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

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Segment revenue:		
India	982.24	1,387.16
Outside India	1,215.40	5,129.36
Segment assets:		
India	3,173.41	3,115.19
Outside India	22.57	247.76
Capital expenditure:		
India	343.31	481.41
Outside India	-	-

NOTE 46 RELATED PARTY INFORMATION:

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

A. Names of the related parties and their relationships:

i) Ultimate holding company and its intermediaries

Ultimate Holding company

Vedanta Resources plc

Intermediaries

Finsider International Company Limited

Twin Star Holdings Limited

Westglobe Limited

ii) Subsidiaries

Sesa Resources Limited

Sesa Mining Corporation Limited

Bloom Fountain Limited

Western Cluster Limited

Goa Energy Limited

iii) Associate (and an indirect subsidiary of the ultimate holding company)

Cairn India Limited

iv) Jointly Controlled Entity:

Goa Maritime Private Limited

v) Fellow Subsidiaries:

(With whom transactions have taken place during the year)

Bharat Aluminium Company Limited

Hindustan Zinc Limited

Konkola Copper Mines

Sterlite Industries (India) Limited

Sterlite Iron and Steel Company Limited

Talwandi Sabo Private Limited

The Madras Aluminium Company Limited

Twin Star Mauritius Holdings Limited

Vedanta Aluminum Limited

Vizag General Cargo Berth Private Limited

vi) Details of Key Management Personnel

Mr. P.K. Mukherjee, Managing Director

Mr. A.K. Rai (Retired on July 31, 2011), Wholetime Director

Mr. A. Pradhan, Wholetime Director

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

Sesa Community Development Foundation

Notes forming part of the financial statements as at and for the year ended March 31, 2013

B Transactions with related parties:

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

₹ in crore

Particulars	Name of the Related Party	March 31, 2013	March 31, 2012
1) Income			
Revenue from Operations	Goa Energy Limited	4.97	0.39
	Hindustan Zinc Limited	1.42	2.40
	Sesa Resources Limited	9.96	20.25
	Sesa Mining Corporation Limited	-	0.01
	Sterlite Industries (India) Limited	5.08	6.43
Interest on inter-corporate deposits	Sterlite Iron And Steel Company Limited	3.34	2.99
	Vedanta Aluminium Limited	-	3.62
Dividend on long term investments	Cairn India Limited	175.57	-
	Sesa Resources Limited	125.00	187.50
2) Expenses			
Purchases	Goa Energy Limited	14.04	0.40
	Sesa Mining Corporation Limited	13.53	-
	Sesa Resources Limited	15.51	34.02
Long Term Incentive Plan	Vedanta Resources plc.	11.87	10.61
Recovery of expenses	Bharat Aluminium Company Limited	(0.02)	-
	Black Mountain Mining (Pty)Ltd	(0.02)	-
	Bloom Fountain Limited	(0.01)	-
	Hindustan Zinc Limited	(0.73)	(0.01)
	Konkola Copper Mines	(0.04)	(0.04)
	Sesa Mining Corporation Limited	(0.02)	-
	Sesa Resources Limited	(0.61)	-
	Sterlite Industries (India) Limited	(0.05)	(0.07)
	The Madras Aluminium Company Limited	-	(0.02)
	Vedanta Aluminum Limited	(0.05)	(0.02)
	Vizag General Cargo Berth Private Limited	(0.02)	(0.01)
	Western Cluster Limited	(0.03)	-

₹ in crore

	Particulars	Name of the Related Party	March 31, 2013	March 31, 2012
	Expenses reimbursed	Goa Energy Limited	1.09	-
		Hindustan Zinc Limited	1.01	0.19
		Konkola Copper Mines	-	0.01
		Sesa Mining Corporation Limited	0.08	-
		Sesa Resources Limited	0.30	-
		Sterlite Industries (India) Limited	9.74	4.79
		Talwandi Sabo Private Limited	-	0.01
		The Madras Aluminium Company Limited	0.01	-
		Vedanta Aluminum Limited	-	0.42
		Vizag General Cargo Berth Private Limited	0.03	-
	Advisory Fees	Twin Star Mauritius Holdings Limited	-	56.43
3)	Purchase / Sale of Fixed Assets			
	Purchase	Sesa Resources Limited	0.01	0.44
		Sterlite Industries (India) Limited	1.38	-
	Sale	Sesa Resources Limited	0.15	-
4)	Dividend Paid	Finsider International Company Limited	80.30	220.82
		Twin Star Holdings Limited	6.65	18.30
		West Globe Limited	8.87	24.39
5)	Loans and Advances - Intercorporate deposits			
	Given / (Repaid) during the year	Sterlite Iron And Steel Company Limited	0.59	6.17
		Vedanta Aluminium Limited	-	(1,000.00)
	Balance as at end of the year	Sterlite Iron And Steel Company Limited	33.47	32.88
6)	Loans and Advances - Others			
	Given / (Repaid) during the year	Sesa Resources Limited	160.50	-
		Sesa Resources Limited	(150.00)	-
	Balance as at end of the year	Sesa Resources Limited	10.50	-
		Sterlite Iron And Steel Company Limited	6.50	3.50

Notes forming part of the financial statements as at and for the year ended March 31, 2013

₹ in crore

	Particulars	Name of the Related Party	March 31, 2013	March 31, 2012
7)	Outstanding receivable / (payable) as at the end of the year	Bloom Fountain Limited	0.01	-
		Goa Energy Limited	(1.05)	11.93
		Hindustan Zinc Limited	0.21	(0.26)
		Konkola Copper Mines	-	(0.01)
		Sesa Mining Corporation Limited	(0.03)	0.01
		Sesa Resources Limited	2.19	4.46
		Sterlite Industries (India) Limited	(2.27)	(0.32)
		Twin Star Mauritius Holdings Limited	(1.56)	(1.56)
		Vedanta Aluminum Limited	0.01	(0.05)
		Vedanta Resources Plc.	(30.07)	(17.20)
8)	Investments			
	Investments/ (Conversion) made during the year	Bloom Fountain Limited		
		In equity shares	-	4.43
		In preference shares	378.52	528.32
		Share application pending allotment	(4.57)	4.57
		Goa Energy Limited		
		In preference shares	0.04	-
		Share application pending allotment	(0.04)	-
9)	Corporate Guarantees given	Western Cluster Limited	27.19	-

ii) Details relating to persons referred to in item A (vi) above:

₹ in crore

Remuneration to Key Management Personnel	March 31, 2013	March 31, 2012
Mr. P. K. Mukherjee	2.30	3.78
Mr. A. Pradhan	1.49	1.90
Mr. A. K. Rai (Retired on July 31, 2011)	-	1.89
	3.79	**7.57**

₹ in crore

Outstanding receivable / (payable)	March 31, 2013	March 31, 2012
Mr. P. K. Mukherjee	(0.05)	(0.91)

iii) Details relating to persons referred to in item A (vii) above

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Donation	3.94	5.29

SECTION 04

iv) Additional information required as per Clause 32 of the Listing Agreement

₹ in crore

Particulars	March 31, 2013		March 31, 2012	
	Outstanding as at March 31, 2013	Maximum amount outstanding during the year	Outstanding as at March 31, 2012	Maximum amount outstanding during the year
Inter-corporate deposits – Dues from fellow subsidiaries				
Sterlite Iron and Steel Company Limited	33.47	33.47*	32.88	32.88

* Inter-corporate deposits have been placed at an interest rate of 10% p.a.

NOTE 47 EARNINGS PER SHARE:

₹ in crore

Particulars	**March 31, 2013**	March 31, 2012
Profit after tax (₹ in crore)	120.77	1,679.94
Weighted average no. of equity shares	869,101,423	869,101,423
Nominal value of each equity shares	₹ 1	₹ 1
Basic earnings per share (in ₹)	1.39	19.33
Add: Expenses/ (income) to the Statement of Profit and Loss on account of Foreign Currency Convertible Bonds (net of tax)	133.48	130.92
Profit after tax for Diluted Earning per share	254.25	1,810.86
Weighted average number of shares for Basic EPS	869,101,423	869,101,423
Add: Effect of potential equity shares on conversion of Foreign Currency Convertible Bonds	30,000,000	30,000,000
Weighted average number of shares for Diluted Earning per share	899,101,423	899,101,423
Diluted earnings per share (in ₹) [restricted to basic EPS since anti dilutive]	1.39	19.33

NOTE 48 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 March 31, 2013 is as under:

₹ in crore

Nature of obligation	**March 31, 2013**	March 31, 2012
Provision for mine closure		
Opening carrying amount	1.72	1.72
Additional provision made during the year	0.09	-
Closing carrying amount	1.81	1.72

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 49 FOREIGN CURRENCY EXPOSURES:

a) The Company enters into forward contracts which are not intended for trading or speculative purposes, but for hedging.

i. Forward exchange contracts outstanding as at March 31, 2013

Particulars	Mar 31, 2013		March 31, 2012	
	₹ in crore	Fx million	₹ in crore	Fx million
Buy Contracts				
USD / INR	1,122.46	USD 206.38	-	-
EUR / INR	-	-	7.83	EUR 1.17
EUR / USD	-	-	6.99	EUR 1.05

b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below.

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

Particulars	Mar 31, 2013		March 31, 2012	
	₹ in crore	Fx million	₹ in crore	Fx million
Trade receivables and advances to suppliers	22.29	USD 3.95	247.59	USD 40.23
		JPY 0.10		JPY 1.58
		CAD 0.01		GBP 0.02
		EUR 0.03		EUR 6.07
		SGD 0.003		SGD 0.01
Bank balances	0.02	CNY 0.03	0.05	CNY 0.06
				USD 0.00006

ii. Amount payable in f oreign currency on account of the following:

Particulars	Mar 31, 2013		March 31, 2012	
	₹ in crore	Fx million	₹ in crore	Fx million
Trade payables and other current liabilities	121.88	USD 22.15	445.92	USD 87.16
		EUR 0.07		EUR 0.01
		GBP 0.002		
		JPY 0.16		
		SGD 0.003		
Foreign Currency Convertible Bonds and interest there on	1,206.79	USD 221.88	1,135.25	USD 221.92
Foreign Currency Loan and interest there on	23.61	USD 4.34	1,364.28	USD 266.69

Footnote: Fx = Foreign currency; USD = US Dollar; EUR = Euro; JPY = Japanese Yen; GBP = Great Britain Pound; CNY = Chinese Yuan; SGD = Singapore Dollar; CAD = Canadian Dollar;

SECTION 04

NOTE 50 The Company offers equity-based award plans to its employees, officers and directors through its ultimate holding company, Vedanta Resources Plc., the Vedanta Resources Long-Term Incentive Plan (the "LTIP").

The LTIP is the primary arrangement under which share-based incentives are provided to the defined management group. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the balance of basic salary and share-based remuneration consistent with local market practice. The performance condition attaching to outstanding awards under the LTIP is that of Vedanta's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three year period 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 and subsequently further awards were granted in the respective years. The awards are indexed to and settled by Vedanta shares. The awards provide for a fixed exercise price denominated in Vedanta's functional currency at 10 US cents per share, the performance period of each award is three years and the same is exercisable within a period of six months from the date of vesting beyond which the option lapse. Under the scheme, Vedanta is obligated to issue the shares. During the year, Vedanta has granted a new LTIP tranche that shall vest based on the achievement of business performance in the performance period. The vesting schedule is staggered over a period of three years.

Further, in accordance with the terms of agreement between Vedanta and the Company, on the grant date, fair value of the awards is recovered by Vedanta from the Company.

Amount recovered by Vedanta and recognised by the Company in the Statement of Profit and Loss for the financial year ended March 31, 2013 is ₹ 11.87 crore (Previous year ₹ 10.61 crore). The Company considers these amounts as not material and accordingly has not provided further disclosures.

NOTE 51 Previous year's figures have been regrouped / reclassified, to correspond with the current year's classification/ disclosure.

For and on behalf of the Board of Directors

P. K. Mukherjee	**Amit Pradhan**	**S. L. Bajaj**	**C. D. Chitnis**
Managing Director	Director	Director-Finance	Company Secretary

Place: Panaji - Goa
Date: April 27, 2013

Ten Year Record

(₹ in crore except as stated)

Year ending March 31	2004	2005	2006	2007	2008	2009	2010	2011	2012	**2013**
Fixed Assets	187.36	278.78	298.22	392.19	409.03	500.45	549.69	1,264.41	1,673.99	1,917.89
Investments	66.95	345.96	516.16	867.81	2,000.44	3,019.68	5,478.64	9,463.81	14,420.62	14,726.52
Total Capital Employed	379.27	734.32	1,084.13	1,506.36	2,791.13	4,517.78	7,208.71	11,588.81	12,913.19	13,023.79
Shareholder's Equity	315.51	724.25	1,084.13	1,506.36	2,791.13	4,517.78	7,208.71	11,588.81	12,913.19	13,023.79
Sales & Other Income	573.21	1,423.84	1,734.76	2,049.44	3,672.41	4,996.23	5,069.78	8,008.28	6,899.78	2,529.91
Profit Before Tax	142.78	687.42	807.08	899.85	2,236.94	2,630.70	2,658.09	4,385.80	2,420.94	56.99
Tax for the year	44.00	225.04	267.68	293.44	744.94	688.21	540.00	953.00	741.00	(63.78)
Profit After Tax	98.78	462.37	539.40	606.41	1,492.00	1,942.49	2,118.09	3,432.80	1,679.94	120.77
Dividends/Dividend Tax	22.20	100.93	179.53	182.45	207.23	207.23	315.96	376.26	355.56	10.17
Retained Earnings	76.58	361.44	359.87	423.96	1,284.77	1,735.26	1,802.13	3,056.54	1,324.38	110.60
Earnings Per Share (in ₹)	50.19	117.47	137.04	154.06	379.06	24.68*	26.11*	39.98*	19.33*	1.39*
Dividends %	100.00	225.00	400.00	400.00	450.00	225.00	325.00	350.00	400.00	10.00
No. of Shareholders	29,948	61,313	43,418	43,032	90,875	170,222	213,086	267,412	268,351	251,895

Notes:

1. Figures for the previous years have been regrouped whereever necessary to make them comparable to those of the current year. Current years figures are subject to approval of shareholders at the Annual General Meeting including dividend proposed.
2. Number of shareholders shown is as on the date of Annual General Meeting of the relevant year except for the year 2013.
3. The dividend % for year ending March 31, 2005 is the effective rate on post bonus share capital (Bonus Issue @ 1:1 after interim dividend paid @ 50%).
4. During the financial year 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, 2010-11, 2011-12 and 2012-13 are 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	Bloom Fountain Limited	Western Cluster Limited	Goa Energy Limited
1.	Financial years of the Subsidiary Comapny ended on	**March 31, 2013**	**March 31, 2013**	**March 31, 2013**	**March 31, 2013**	**March 31, 2013**
2.	Shares of the Subsidiary Company held on the above date and extent of holding		(Refer Note 2)		(Refer Note 3)	
	a) Equity Shares	12,50,000	11,50,000	10,00,001	100	10,000
	b) Extent of Holding	100%	100%	100%	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					
	a) For the financial year of the Subsidiary	68.79	(10.23)	0.11	Nil	6.46
	b) For the previous financial years of the Subsidiary/since it became the Holding company's subsidiary	1,022.75	63.33	(0.85)	Nil	0.30
	ii) Dealt within the holding company's accounts					
	a) For the financial year of the Subsidiary	Nil	Nil	Nil	Nil	Nil
	b) For the previous financial years of the Subsidiary/since it became the Holding company's subsidiary	312.50	Nil	Nil	Nil	Nil
4.	Material changes, if any between the end of the financial year of the subsidiary company and that of the Holding Company	NA	NA	NA	NA	NA
5.	Additional information on Subsidiary Companies					
	Share Capital	1.25	11.50	15.55	-	0.05
	Share Application Money Pending Allottment	-	-	-	-	32.96
	Reserves	1,699.57	140.40	1,006.96	-	(1.73)
	Total Assets	1,788.45	282.94	1,022.65	363.40	77.05
	Total Liabilities	1,788.45	282.94	1,022.65	363.40	77.05
	Investment (except incase of investment in subsidiaries)	1,185.42	11.35	-	-	-
	Turnover	365.47	94.74	-	-	29.85
	Profit before tax	91.26	(14.73)	0.11	-	9.33
	Tax expense	22.47	(4.50)	-	-	2.87
	Profit after tax	68.79	(10.23)	0.11	-	6.46
	Interim/Proposed final Dividend (including Dividend Distribution Tax thereon)	-	-	-	-	-

Notes:

1. Your Company has five subsidiary companies as on March 31, 2013.
2. Sesa Mining Corporation Limited is a subsidiary of Sesa Resources Limited, which is 100% subsidiary of the Company.
3. Western Cluster Limited is a subsidiary of Bloom Fountain Limited, which is 100% subsidiary of the Company.
4. The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated February 8, 2011 and February 21, 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.
5. The Annual Accounts for 2012-13 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.
6. 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 December 7, 2006 also form part of this Annual Report.

Independent Auditors' Report to the Board of Directors of Sesa Goa Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of SESA GOA LIMITED (the "Company"), its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information. The consolidated financial statements include investments in an associate accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

OTHER MATTER

We did not audit the financial statements of three subsidiaries – Bloom Fountain Limited, Western Cluster Limited and Goa Energy Limited, whose financial statements reflect total assets (net) of ₹ 1,112. 58 crore as at March 31, 2013, total revenues of ₹ 30.94 crore and net cash inflows amounting to ₹ 0.41 crore for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of net profit of ₹ 2,411.28 crore for the year ended March 31, 2013, as considered in the consolidated financial statements, in respect of an associate, Cairn India Limited, whose financial statements for the year ended March 31, 2013 have not been audited by us.

The financial statements of the aforesaid subsidiaries and the associate have been audited by other auditors whose report has been furnished to us by the Management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117366W)

Rajesh K Hiranandani
Partner
(Membership No. 36920)

Place: Panaji - Goa
Date: April 27, 2013

Consolidated Balance Sheet as at March 31, 2013

₹ in crore

Particulars	Note	March 31, 2013	March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' fund			
Share capital	3	86.91	86.91
Reserves and surplus	4	17,388.49	15,031.30
		17,475.40	**15,118.21**
Non-current liabilities			
Long-term borrowings	5	1,179.16	1,116.23
Deferred tax liabilities (Net)	6	25.27	104.58
Other long-term liabilities	7	2.32	2.74
Long-term provisions	8	3.66	3.52
		1,210.41	**1,227.07**
Current liabilities			
Short-term borrowings	9	3,322.38	2,617.95
Trade payables	10	547.11	886.77
Other current liabilities	11	292.10	317.90
Short-term provisions	12	41.76	233.23
		4,203.35	**4,055.85**
Total		**22,889.16**	**20,401.13**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	13	1,879.80	1,390.14
Intangible assets	13	89.08	9.85
Capital work-in-progress		722.54	837.20
Goodwill on consolidation	14	2,167.60	1,907.09
Non-current investments	15	15,881.98	13,662.62
Long-term loans and advances	16	492.02	198.65
		21,233.02	**18,005.55**
Current assets			
Current investments	17	176.87	503.96
Inventories	18	960.95	875.15
Trade receivables	19	142.39	549.43
Cash and cash equivalents	20	36.12	97.74
Short-term loans and advances	21	329.22	369.29
Other current assets	22	10.59	0.01
		1,656.14	**2,395.58**
Total		**22,889.16**	**20,401.13**
See accompanying notes forming part of the consolidated financial statements	1 - 46		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh K Hiranandani
Partner

Place: Panaji - Goa
Date: April 27, 2013

For and on behalf of the Board of Directors

P. K. Mukherjee
Managing Director

Amit Pradhan
Director

S. L. Bajaj
Director-Finance

C. D. Chitnis
Company Secretary

Place: Panaji - Goa
Date: April 27, 2013

Consolidated Statement of Profit and Loss for the year ended March 31, 2013

₹ in crore

Particulars	Note	March 31, 2013	March 31, 2012
INCOME			
Revenue from operations		2,849.61	9,056.93
Less: Excise duty		100.67	78.89
		2,748.94	8,978.04
Less: Ocean freight		194.52	667.98
Net revenue from operations	23	2,554.42	8,310.06
Other income	24	53.86	234.58
Total		**2,608.28**	**8,544.64**
EXPENSES			
Cost of materials consumed		816.68	588.61
Purchase of stock-in-trade		96.19	367.01
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(345.76)	17.79
Employee benefits expense	26	249.52	268.43
Finance costs	27	474.65	433.26
Depreciation and amortisation expense	13	197.46	106.14
Other expenses	28	1,272.34	3,568.16
Total		**2,761.08**	**5,349.40**
Profit / (Loss) before exceptional items and tax		(152.80)	3,195.24
Exceptional item	32	21.17	66.09
Profit / (Loss) before tax		(173.97)	3,129.15
Less: Tax expense			
Current tax		25.47	989.91
Current tax in respect of prior years		10.90	0.07
Deferred tax		(79.31)	31.40
		(42.94)	1,021.38
Profit / (Loss) after tax		**(131.03)**	**2,107.77**
Share of profit in respect of investment in an associate company		2,411.28	587.73
Profit for the year		**2,280.25**	**2,695.50**
Earnings per equity share of ₹ 1 each	41		
Basic		26.24	31.01
Diluted		26.24	31.01
See accompanying notes forming part of the consolidated financial statements	1 - 46		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh K Hiranandani
Partner

Place: Panaji - Goa
Date: April 27, 2013

For and on behalf of the Board of Directors

P. K. Mukherjee
Managing Director

Amit Pradhan
Director

S. L. Bajaj
Director-Finance

C. D. Chitnis
Company Secretary

Place: Panaji - Goa
Date: April 27, 2013

SECTION 04

Consolidated Cash Flow Statement for the year ended March 31, 2013

₹ in crore

	Particulars	March 31, 2013	March 31, 2012
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Profit / (Loss) before tax	(173.97)	3,129.15
	Adjustments for:		
	Depreciation and amortisation expense	197.46	106.14
	Interest expense	279.46	241.42
	Interest income	(3.69)	(13.39)
	Dividend income	(26.74)	(110.50)
	Profit on sale of fixed assets (net)	(2.15)	(0.90)
	Profit on sale of current investments (net)	(12.00)	(107.44)
	Provision for doubtful trade receivables	0.07	-
	Net unrealised exchange loss/(gain)	156.48	195.84
	Operating profit before working capital changes	414.92	3,440.32
	Changes in working capital		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	(85.80)	(137.64)
	Trade receivables	406.97	139.88
	Short-term loans and advances	40.66	(51.96)
	Long-term loans and advances	1.89	(0.04)
	Other current assets	(10.58)	-
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	(339.66)	(104.89)
	Other current liabilities	(49.56)	77.40
	Other long-term liabilities	(0.42)	(74.86)
	Short-term provisions	0.38	8.96
	Long-term provisions	0.14	-
		(35.98)	(143.15)
	Cash generated from operations	378.94	3,297.17
	Income taxes paid	(356.73)	(1,082.08)
	Net cash flow (used in) / from operating activities (A)	**22.21**	**2,215.09**
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Capital expenditure on fixed assets, including capital advances	(626.30)	(738.62)
	Proceeds from sale of fixed assets	4.50	2.13
	Purchase of current investments	(8,774.14)	8,403.22
	Redemption of current investments	9,113.23	-
	Investments in		
	Subsidiaries	(260.51)	(458.22)
	Associates	-	(13,074.84)
	Inter corporate deposits repaid	-	1,000.00
	Inter corporate deposits placed	(0.59)	(6.17)
	Proceeds on maturity of fixed deposits	0.69	10.12
	Interest received	3.69	27.45

Consolidated Cash Flow Statement for the year ended March 31, 2013

₹ in crore

	Particulars	March 31, 2013	March 31, 2012
	Dividend received		
	from an associate	191.92	-
	other investments	26.74	110.50
	Net cash flow (used in) / from investing activities (B)	**(320.77)**	**(4,724.43)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Repayment of long term borrowings	(7.16)	(56.84)
	Proceeds from short term borrowings	4,719.48	-
	Repayment of short term borrowings	(3,517.82)	-
	Net changes in other short term borrowings	(497.23)	2,577.60
	Interest paid (includes interest capitalised)	(258.16)	(236.63)
	Dividend and taxes paid thereon	(201.30)	(558.49)
	Net cash flow from / (used in) financing activities (C)	**237.81**	**1,725.64**
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**(60.75)**	**(783.70)**
	Cash and cash equivalents at the beginning of the year	87.04	870.73
	Add: on acquisition	-	0.01
	Cash and cash equivalents at the end of the year	**26.29**	**87.04**
	Reconciliation of Cash and cash equivalents with the Balance Sheet:		
	Cash and cash equivalents as per Balance Sheet (refer note 20)	36.12	97.74
	Less: Deposit with bank	(0.50)	(1.19)
	Less: Unpaid dividend account	(9.33)	(9.51)
	Cash and cash equivalents at the end of the year *	**26.29**	**87.04**
	* comprises:		
	Cash on hand	0.05	0.08
	Cheques, drafts on hand	5.92	6.27
	Balances with banks		
	In current accounts	20.32	80.69
		26.29	**87.04**

Figures in brackets represent outflows

See accompanying notes forming part of the consolidated financial statements (1-46)

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh K Hiranandani
Partner

Place: Panaji - Goa
Date: April 27, 2013

For and on behalf of the Board of Directors

P. K. Mukherjee
Managing Director

Amit Pradhan
Director

S. L. Bajaj
Director-Finance

C. D. Chitnis
Company Secretary

Place: Panaji - Goa
Date: April 27, 2013

NOTE 1 CORPORATE INFORMATION

Sesa Goa Limited ("Sesa" / "the Group") is a major producer and exporter of iron ore in the private sector in India and has been in operation for more than six decades. The Group is a majority owned and controlled subsidiary of Vedanta Resources plc., the London listed FTSE 100 diversified metals and mining major. Sesa has been involved in iron ore exploration, mining, beneficiation and exports. Sesa has iron ore mining operations in Goa and Karnataka. It has 100% stake in Western Cluster Limited, a Liberia based company engaged in developing the Western Cluster Iron Ore Deposits into a large integrated iron ore project. Sesa is also into manufacturing pig iron and metallurgical coke.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

i) Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of Sesa Goa Limited (the "Parent'), its subsidiary companies, the jointly controlled entity (the "Group") and the associate have been prepared on accrual basis under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

ii) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) and the reported amount of income and expenses during the year. Future results could differ due to these estimates and the differences 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 statements have been prepared on the following basis:

a) The financial statements of the Parent and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. 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.

b) Interest in the jointly controlled entity is reported using proportionate consolidation.

c) The financial statements of the subsidiary companies 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.

d) The difference between cost of investments in the subsidiary companies over the net assets at the time of acquisition of shares in the subsidiary companies is recognised in the financial statements as Goodwill, and tested for impairment, or Capital reserve, as the case may be.

e) The consolidated financial statements include the share of profit of the associate company accounted using the 'equity method', and accordingly, the share of the profit of the associate company has been added to the cost of investments. The difference between cost of investments in the associate company and the share of net assets at the time of acquisition of the shares in the associate company is identified in the financial statements as Goodwill or Capital reserve as the case may be. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor.

Notes forming part of the financial statements as at and for the year ended March 31, 2013

f) Particulars of subsidiary companies, the jointly controlled entity and associate are given below:

Name of company	Country of Incorporation	**% of voting power held on 31.03.2013**	% of voting power held on 31.03.2012
Subsidiaries			
Sesa Resources Limited ("SRL")	India	100%	100%
Goa Energy Limited ("GEL")	India	100%	100%
Bloom Fountain Limited ("BFL")	Mauritius	100%	100%
Step down subsidiaries			
Sesa Mining Corporation Limited ("SMCL")	India	100%	100%
Western Cluster Limited ("WCL")	Liberia	100%	51%
Jointly controlled entity			
Goa Maritime Private Limited ("GMPL")	India	50%	50%
Associate			
Cairn India Limited ("CIL")	India	20%	20%

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 the 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.

g) For the purposes of consolidation of foreign subsidiaries, income and expenses are translated at the average exchange rates for the year and the assets and liabilities at exchange rate prevailing at the balance sheet date. The net impact of such change is accumulated under foreign currency translation reserve.

iv) Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale including octroi and other levies, transit insurance and receiving charges. Finished goods and work in progress include apportionment of fixed and variable overheads and excise duty, wherever applicable.

v) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

vi) Depreciation and amortisation

Depreciation has been provided for on the straight line method (SLM) as per the rates prescribed in Schedule XIV to the Companies Act, 1956, except in respect of the following assets:

- Vehicles, furniture and computers are depreciated at an annual rate of 20%, 10% and 30% respectively to bring it in line with the useful life of the assets.
- Railway wagons procured under Wagon Investment Scheme (WIS) are depreciated at the rate of 10% per annum on SLM basis.
- Mining leases in proportion to actual quantity of ore extracted there from.
- Amounts paid for renewal of forest clearances and stamp duties in respect of owned mining leases over the operating period of lease.
- Individual items of assets costing upto ₹ 5,000 are fully depreciated in the year of acquisition.

Depreciation is 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.

Intangible assets are amortised over their estimated useful life. Computer software expenses are amortised over the period of the license or thirty six months, as the case may be.

vii) Revenue recognition

Sale of goods

Revenue is recognised when significant risks and rewards of ownership of the goods sold are transferred to the customer and the goods have been delivered to the shipping agent/customer. Revenue represents the invoice value of goods provided to third parties net of discounts and adjustments arising on analysis variances. Revenues include excise duty but exclude sales tax and value added tax.

Sale of services

Revenues for services is recognised on rendering of services.

Other Income

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

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

viii) Fixed assets (Tangible and Intangible)

Fixed assets are carried at historical cost (net of available Central and State VAT credit) less accumulated depreciation / amortisation and impairment losses, if any. Cost of fixed assets include purchase price, expenses incidental to making the assets ready for its intended use, attributable borrowing costs and net of any trade discounts and rebates.

The Group's mining leases having ore reserves are not valued, however, amounts paid to government authorities towards renewal of forest clearances and stamp duties in respect of owned mining leases are capitalised as a part of mining rights.

Machinery Spares

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Capital work in progress

Projects under which assets are not ready for their intended use and other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

ix) Foreign currency transactions and translations

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction or at rates that closely approximates the rate at the date of the transaction. Monetary items outstanding at the reporting date are restated at the year end rates. Non-monetary items are carried at historical cost. Exchange differences arising on restatement or settlement is charged to the Statement of Profit and Loss.

x) Foreign currency forward contracts

The Company enters into forward contracts to hedge its exposure to foreign currency. The Group does not hold these forward contracts for trading or speculative purposes. The premium or discount arising at the inception of such contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts is recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

xi) Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants / subsidy will be received.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

xii) Investments

Long term investments are carried individually at cost less provision for diminution, other than temporary, in the value of investments, if any. Current investments are carried individually, at lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

xiii) Employee benefits

Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

Long term employee benefits

Defined contribution plans:

Provident fund:

The Group's contribution to the provident fund and pension fund paid / payable during the year is debited to the Statement of Profit and Loss. The shortfall in provident fund, if any, between the return guaranteed by the statute and actual earnings of the Fund is provided for by the Group and contributed to the Fund. The net actuarial liability of the Group's obligation for interest rate guarantee is determined at the year end based on an independent actuarial valuation and the shortfall, if any, recognised in the Statement of Profit and Loss.

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 insurance companies which administers the fund. The Group recognises such contributions as an expense over the period of services rendered.

Notes forming part of the financial statements as at and for the year ended March 31, 2013

Defined benefit plans:

Gratuity Fund:

The Group accounts for the net actuarial liability of its obligations for gratuity benefits based on an independent actuarial valuation determined using the projected unit credit method carried out 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 Statement of Profit and Loss.

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 Statement of Profit and Loss.

xiv) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest cost. 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 to the extent regarded as an adjustment to interest cost are charged to Statement of Profit and Loss and included under "Finance costs".

xv) Segment reporting

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

Segment revenues, 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. Revenues, 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 revenues / expenses / assets / liabilities."

xvi) Taxes on income

The Group's income taxes include taxes on the Group'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 the enacted tax laws and in the case of deferred taxes, at rates that have been substantively 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) Impairment of assets

The carrying amounts of assets are reviewed for impairment at each balance sheet date, 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 Statement of Profit and Loss.

xviii) 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 the best estimate of the amount 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.

NOTE 3 SHARE CAPITAL

Particulars	March 31, 2013		March 31, 2012	
	Number of Shares	₹ in crore	Number of Shares	₹ in crore
Authorised				
Equity shares of ₹ 1 each with voting rights	1,000,000,000	100.00	1,000,000,000	100.00
Issued, subscribed and fully paid-up				
Equity shares of ₹ 1 each with voting rights, fully paid-up	869,101,423	86.91	869,101,423	86.91
Total	**869,101,423**	**86.91**	**869,101,423**	**86.91**

a. There has been no movement in the equity shares outstanding at the beginning and at the end of the year.

b. Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is paid as and when declared by the Board. Repayment of capital, if any, will be in proportion to the number of equity shares held.

c. Shares held by ultimate holding company and its intermediaries

Particulars	March 31, 2013		March 31, 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Finsider International Company Limited	401,496,480	46.20	401,496,480	46.20
West Globe Limited	44,343,139	5.10	44,343,139	5.10
Twinstar Holdings Limited	33,274,000	3.83	33,274,000	3.83

All the above entities are subsidiaries of Vedanta Resources plc. Accordingly Vedanta Resources plc. is the ultimate holding company.

d. Details of shareholders holding more than 5% shares in the Company other than as shown in (c) above

Name of Shareholder	March 31, 2013		March 31, 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Franklin Templeton Investment Funds	85,073,669	9.79	85,073,669	9.79

Notes forming part of the financial statements as at and for the year ended March 31, 2013

e. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	March 31, 2013 Number of Shares	March 31, 2012 Number of Shares
Equity shares allotted as fully paid-up shares for consideration other than cash pursuant to a scheme of amalgamation	9,398,864	9,398,864
Equity shares allotted as fully paid-up bonus shares by way of capitalisation of reserves and securities premium account	393,620,200	393,620,200

f. Terms of securities convertible into equity shares

For shares to be issued on conversion of Foreign Currency Convertible Bonds, refer note 5

NOTE 4 RESERVES AND SURPLUS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Capital reserve		
Balance as at the beginning and end of the year	0.25	0.25
Securities premium account		
Balance as at the beginning and end of the year	1,869.42	1,869.42
Capital reserve on consolidation		
Balance as at the beginning and end of the year	9.87	9.87
Foreign Currency Translation Reserve		
Balance as at the beginning of the year	19.26	-
Add / (less) : Effect of foreign exchange rate variations during the year	86.39	19.26
Balance as at the end of the year	105.65	19.26
General reserve		
Balance as at the beginning of the year	9,067.32	8,492.32
Add: Transferred from surplus balance in the Statement of Profit and Loss	5.00	575.00
Balance as at the end of the year	9,072.32	9,067.32
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	4,065.18	2,351.66
Add: Profit for the year	2,280.25	2,695.50
	6,345.43	5,047.16
Less:		
Interim dividend	-	(173.82)
Proposed final dividend	(8.69)	(173.82)
Tax on dividends	(0.76)	(59.34)
Transfer to general reserve	(5.00)	(575.00)
Balance as at the end of the year	6,330.98	4,065.18
Total	**17,388.49**	**15,031.30**

NOTE 5 LONG-TERM BORROWINGS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Secured		
Term loans		
From banks (refer footnote a)	-	7.16
Unsecured		
Foreign currency convertible bonds (refer footnote b)	1,179.16	1,109.07
Total	**1,179.16**	**1,116.23**

a. Terms of loan from banks:

The term loan is secured by a charge on vessel M.V. Goan Pride jointly held with another company. The balance of loan is repayable in 4 quarterly instalments of USD 350,000 along with interest at 6 M LIBOR plus 1.75% p.a. The last instalment is due on March 31, 2014. Since all the remaining instalments are due in next 12 months it is included in Note 11.

b. Terms of Foreign currency convertible bonds:

During the year ended March 31, 2010, the Company had issued 5,000 Foreign Currency Convertible Bonds ("FCCBs") aggregating USD 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 and at a fixed rate of exchange on conversion of ₹ 48.00 per USD 1.00 at any time on or after December 9, 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 October 30, 2012, subject to certain conditions. Unless previously converted, redeemed or repurchased and cancelled, the FCCBs fall due for redemption on October 31, 2014 at par.

Upto March 31, 2013, 2,832 FCCBs have been converted into 39,188,159 equity shares. No conversion has been made during the year.

FCCB proceeds aggregating ₹ 1,040.86 crore have been utilised for the Company's capital projects.

NOTE 6 DEFERRED TAX LIABILITIES (NET)

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Deferred tax liabilities:		
Depreciation allowance	138.14	119.89
	138.14	119.89
Deferred tax assets:		
Unabsorbed depreciation and business losses (refer footnote)	91.78	-
Compensated absences	9.44	9.45
Others	11.65	5.86
	112.87	15.31
Deferred tax liabilities (Net)	**25.27**	**104.58**

Recognised since future taxable income will be available from reversal of deferred tax liability recognised at the Balance Sheet date.

NOTE 7 OTHER LONG-TERM LIABILITIES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Security deposits received	2.32	2.74
Total	**2.32**	**2.74**

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 8 LONG TERM PROVISIONS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Provision for employee benefits		
Gratuity	0.09	0.06
Provision - Others		
Provision for mine closure (refer note 43)	3.57	3.46
Total	**3.66**	**3.52**

NOTE 9 SHORT TERM BORROWINGS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Secured:		
Loans repayable on demand from banks		
Cash credit	-	1.50
(Secured against hypothecation of finished goods, consumables, stores, book debts and lodgement of letters of credit)		
	-	1.50
Unsecured:		
Other loans and advances		
Packing credit in foreign currencies from banks	911.56	1,407.29
Commercial paper [Maximum balance outstanding during the year ₹ 3,041.60 crore (Previous year ₹ 2,469.75 crore)]	2,352.14	1,125.49
Buyers' credit	58.68	83.67
	3,322.38	2,616.45
Total	**3,322.38**	**2,617.95**

NOTE 10 TRADE PAYABLES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Other than acceptances		
Micro and small enterprises	0.11	0.28
Others	547.00	886.49
Total	**547.11**	**886.77**
Trade payables others include:		
Accrued payroll	29.94	25.78
Accrued expenses	149.14	262.09

NOTE 11 OTHER CURRENT LIABILITIES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Current maturities of long-term debt		
From banks (refer footnote |a| on note 5)	7.61	7.16
Interest accrued but not due on borrowings	51.65	27.71
Unclaimed dividends (refer footnote)	9.33	9.51
Unclaimed matured deposits and interest accrued thereon (refer footnote)	0.06	0.06
Other payables		
Statutory liabilities including withholding taxes	38.93	34.89
Payables on account of fixed assets	77.28	60.39
Trade and security deposits received	10.76	24.80
Advances from customers	9.69	14.35
Amount withheld on acquisition of subsidiary as per share purchase agreement	49.20	124.20
Gratuity	11.10	9.42
Premium payable on foreign exchange forward contracts	20.49	-
Other liabilities	6.00	5.41
Total	**292.10**	**317.90**

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

NOTE 12 SHORT TERM PROVISIONS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Provision for employee benefits		
Compensated absences	31.59	30.13
Provident fund	-	1.08
Provision - Others		
Proposed final dividend	8.69	173.82
Tax on proposed final dividend	1.48	28.20
Total	**41.76**	**233.23**

Notes forming part of the consolidated financial statements as at and for the year ended March 31, 2013

NOTE 13 FIXED ASSETS

₹ in crore

Particulars	Gross block					Depreciation / Amortisation					Net block	
	Balance as at April 1, 2012	Acquired on acquisition	Additions	Disposals	**Balance as at March 31, 2013**	Balance as at April 1, 2012	Acquired on acquisition	For the year	Eliminated on disposal of assets	**Balance as at March 31, 2013**	**As at March 31, 2013**	As at March 31, 2012
Tangible assets												
Mining leases	16.60	-	-	-	16.60	13.05	-	0.68	-	13.73	2.87	3.55
	(16.60)	(-)	(-)	(-)	(16.60)	(12.10)	(-)	(0.95)	(-)	(13.05)	(3.55)	(4.50)
Mining concessions	0.68	-	-	-	0.68	0.65	-	-	-	0.65	0.03	0.03
	(0.68)	(-)	(-)	(-)	(0.68)	(0.65)	(-)	(-)	(-)	(0.65)	(0.03)	(0.03)
Land plots - Freehold (refer footnote a)	238.91	-	15.10	-	254.01	0.13	-	0.05	-	0.18	253.83	238.78
	(184.65)	(0.46)	(53.80)	(-)	(238.91)	(0.08)	(-)	(0.05)	(-)	(0.13)	(238.78)	(184.57)
Leasehold land	0.39	-	-	-	0.39	0.14	-	0.02	-	0.16	0.23	0.25
	(-)	(0.39)	(-)	(-)	(0.39)	(-)	(0.14)	(-)	(-)	(0.14)	(0.25)	(-)
Road and bunders	11.16	-	4.35	-	15.51	2.37	-	0.22	-	2.59	12.92	8.79
	(9.83)	(-)	(1.33)	(-)	(11.16)	(2.20)	(-)	(0.17)	(-)	(2.37)	(8.79)	(7.63)
Buildings	100.83	-	198.71	0.10	299.44	19.61	-	6.48	0.10	25.99	273.45	81.22
	(71.44)	(9.29)	(20.18)	(0.08)	(100.83)	(16.18)	(1.47)	(2.00)	(0.04)	(19.61)	(81.22)	(55.26)
Plant and equipment	1,391.29	-	395.64	32.09	1,754.84	563.77	-	102.94	30.23	636.48	1,118.36	827.52
	(999.70)	(95.52)	(310.09)	(14.02)	(1,391.29)	(475.26)	(23.51)	(78.28)	(13.28)	(563.77)	(827.52)	(524.44)
Furniture and fixtures	9.80	-	0.95	0.20	10.55	4.12	-	0.97	0.16	4.93	5.62	5.68
	(7.99)	(0.09)	(1.78)	(0.06)	(9.80)	(3.28)	(0.03)	(0.86)	(0.05)	(4.12)	(5.68)	(4.71)
Vehicles	21.84	-	4.74	1.64	24.94	11.30	-	3.82	1.38	13.74	11.20	10.54
	(19.76)	(0.13)	(4.47)	(2.52)	(21.84)	(10.34)	(0.05)	(3.11)	(2.20)	(11.30)	(10.54)	(9.42)
Office equipment	13.26	-	1.34	0.29	14.31	3.37	-	0.78	0.25	3.90	10.41	9.89
	(10.82)	(0.19)	(2.31)	(0.06)	(13.26)	(2.64)	(0.10)	(0.65)	(0.02)	(3.37)	(9.89)	(8.18)
Aircraft	1.46	-	0.66	-	2.12	0.54	-	0.10	-	0.64	1.48	0.92
	(1.46)	(-)	(-)	(-)	(1.46)	(0.46)	(-)	(0.08)	(-)	(0.54)	(0.92)	(1.00)
River fleet	165.16	-	0.06	-	165.22	26.84	-	5.29	-	32.13	133.09	138.32
	(76.31)	(-)	(89.00)	(0.15)	(165.16)	(23.29)	(-)	(3.62)	(0.07)	(26.84)	(138.32)	(53.02)
Ship - Jointly owned (refer footnote b)	63.97	-	-	-	63.97	35.70	-	3.20	-	38.90	25.07	28.27
	(63.97)	(-)	(-)	(-)	(63.97)	(32.50)	(-)	(3.20)	(-)	(35.70)	(28.27)	(31.47)
Ship	99.12	-	-	0.28	98.84	62.74	-	4.99	0.13	67.60	31.24	36.38
	(97.80)	(-)	(1.32)	(-)	(99.12)	(57.78)	(-)	(4.96)	(-)	(62.74)	(36.38)	(40.02)
Total tangible assets	2,134.47	-	621.55	34.60	2,721.42	744.33	-	129.54	32.25	841.62	1,879.80	1,390.14
	(1,561.01)	(106.07)	(484.28)	(16.89)	(2134.47)	(636.76)	(25.30)	(97.93)	(15.66)	(744.33)	(1390.14)	(924.25)
Intangible assets												
Mining rights	12.10	-	142.94	-	155.04	11.79	-	62.60	-	74.39	80.65	0.31
	(12.10)	(-)	(-)	(-)	(12.10)	(9.09)	(-)	(2.70)	(-)	(11.79)	(0.31)	(3.01)
Computer software	17.37	-	4.81	-	22.18	7.83	-	5.92	-	13.75	8.43	9.54
	(17.18)	(0.19)	(-)	(-)	(17.37)	(2.18)	(0.14)	(5.51)	(-)	(7.83)	(9.54)	(15.00)
Total intangible assets	29.47	-	147.75	-	177.22	19.62	-	68.52	-	88.14	89.08	9.85
	(29.28)	(0.19)	(-)	(-)	(29.47)	(11.27)	(0.14)	(8.21)	(-)	(19.62)	(9.85)	(18.01)
Total	2,163.94	-	769.30	34.60	2,898.64	763.95	-	198.06	32.25	929.76	1,968.88	1,399.99
	(1,590.29)	(106.26)	(484.28)	(16.89)	(2,163.94)	(648.03)	(25.44)	(106.14)	(15.66)	(763.95)	(1,399.99)	(942.26)

a. Land plots include under perpetual lease ₹ 3.54 crore (Previous year ₹ 3.54 crore)
b. Represents 50% undivided interest in a Transhipper Vessel named " Goan Pride "
c. Depreciation for the year includes depreciation capitalised of ₹ 0.60 crore
d. Figures in brackets relate to previous year

NOTE 14 GOODWILL ON CONSOLIDATION

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Opening balance	1,907.09	1,473.39
Add:		
Goodwill on acquisitions	183.68	433.70
Impact of foreign currency translation	76.83	-
Closing balance	**2,167.60**	**1,907.09**

NOTE 15 NON CURRENT INVESTMENTS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Long term investments (at cost)		
Other than trade investments		
Investment in equity instruments (quoted)		
In an associate company		
Cairn India Limited (refer footnote) 383,840,413 (Previous year 383,840,413) equity shares of ₹ 10 each fully paid-up	15,881.93	13,662.57
Investment in equity instruments (unquoted)		
In other companies		
Goa Shipyard Limited 62,707 (Previous year 62,707) equity shares of ₹ 10 each fully paid-up	0.03	0.03
Goa Infrastructural Development Company Private Limited 5,000 (Previous year 5,000) equity shares of ₹ 10 each fully paid-up	0.01	0.01
Goa Maritime Private Limited 5,000 (Previous year 5,000) equity shares of ₹ 10 each fully paid-up	0.01	0.01
In co-operative societies		
Sesa Ghor Premises Holders' Maintenance Society Limited 20 (Previous year 20) equity shares of ₹ 200 each fully paid-up [₹ 4,000 (Previous year ₹ 4,000)]	-	-
Sesa Goa Sirsaim Employees' Consumers Co-operative Society Limited 200 (Previous year 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 (Previous year 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 (Previous year 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 (Previous year 450) equity shares of ₹ 10 each fully paid-up [₹ 4,500 (Previous year ₹ 4,500)]	-	-

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 15 NON CURRENT INVESTMENTS (CONTD.)

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Sesa Goa Shipyard Employees' Consumers Co-operative Society Limited 500 (Previous year 500) equity shares of ₹ 10 each fully paid-up [₹ 5,000 (Previous year ₹ 5,000)]	-	-
The Mapusa Urban Cooperative Bank Limited 40 (Previous year 40) equity shares of ₹ 25 each fully paid-up [₹ 1,000 (Previous year ₹ 1,000)]	-	-
V.S.Dempo Surla Mine Staff Cooperative Credit Society Limited 250 (Previous year 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 Limited 250 (Previous year 250) equity shares of ₹ 10 each fully paid-up [₹ 2,500 (Previous year ₹ 2,500)]	-	-
Dempo Mining Corporation Staff Consumers Co-operative Society Limited 276 (Previous year 276) equity share of ₹ 10 each fully paid-up [₹ 2,760 (Previous year ₹ 2,760)]	-	-
Dempo Mining Corporation Employees Co-operative Credit Society Limited 400 (Previous year 400) equity share of ₹ 10 each fully paid-up [₹ 4,000 (Previous year ₹ 4,000)]	-	-
	15,881.98	13,662.62
Less : Provision for dimunition in value of Investments [₹ 5,000 (Previous year ₹ 5,000)]	-	-
Total	**15,881.98**	**13,662.62**
Aggregate amount of quoted investments [Market value of ₹ 10,457.73 crore (Previous year ₹ 12,816.43 crore)]	15,881.93	13,662.57
Aggregate amount of unquoted investments	0.05	0.05
Particulars of Investment in Cairn India Limited, an associate company		
Ownership interest	20%	20%
Original cost of investment	13,074.84	13,074.84
Amount of Goodwill in original cost	3,982.55	3,982.55
Share of post acquistion Reserves and Surplus	2,807.09	587.73
Carrying amount of investment	15,881.93	13,662.57

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 16 LONG TERM LOANS AND ADVANCES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Unsecured, considered good		
Capital advances	120.70	145.80
Security deposits	0.99	1.14
Loans and advances to related parties (refer note 40)		
Others	0.14	0.27
Loans and advances to employees	0.14	0.22
Prepaid expenses	7.72	9.25
Advance income tax (net of provision for income tax)	362.33	41.97
Total	**492.02**	**198.65**

NOTE 17 CURRENT INVESTMENTS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Unquoted (at lower of cost and fair value)		
In mutual funds	176.87	503.96
Total	**176.87**	**503.96**

NOTE 18 INVENTORIES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
At lower of cost and net realisable value		
Raw materials [including goods in transit ₹ 40.54 crore (Previous year ₹ 54.95 crore)]	177.36	444.08
Work-in-progress	-	0.15
Finished goods		
Iron ore	504.57	302.26
Metallurgical coke	97.52	39.16
Pig iron	113.72	28.48
	715.81	369.90
Consumables, stores and spares	67.78	61.02
Total	**960.95**	**875.15**

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 19 TRADE RECEIVABLES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	24.45	23.62
Doubtful	0.09	0.02
	24.54	23.64
Less: Provision for doubtful trade receivables	0.09	0.02
	24.45	23.62
Others trade receivables (refer footnote)		
Unsecured, considered good	117.94	525.81
Total	**142.39**	**549.43**
Other trade receivables include amount in respect of sale of iron ore not due, then pending decision from the Supreme Court.	-	128.71

NOTE 20 CASH AND CASH EQUIVALENTS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Cash on hand	0.05	0.08
Cheques, drafts on hand	5.92	6.27
Balances with banks		
In current accounts	20.32	80.69
In earmarked accounts		
Unpaid dividend account	9.33	9.51
Balances held as margin money or security against borrowings	0.50	1.19
Total	**36.12**	**97.74**
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is	26.29	87.04

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 21 SHORT TERM LOANS AND ADVANCES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Unsecured, considered good unless otherwise stated		
Loans and advances to related parties (refer note 40)		
Intercorporate deposits	33.47	32.88
Others	6.63	3.62
Loans and advances to employees	0.52	0.82
Prepaid expenses	10.59	11.81
Security deposits	32.03	17.46
Balance with government authorities		
CENVAT credit receivable	3.20	6.32
VAT credit receivable	20.60	21.82
Service tax credit receivable	7.74	16.45
Export duty receivable	78.05	83.41
Service tax refund receivable	14.22	34.50
Deposit with government authorities pursuant to a Court order	40.23	40.23
Others	0.64	0.70
Advances to suppliers		
Considered good	81.30	99.27
Doubtful	0.62	0.62
	81.92	99.89
Less: Provision for doubtful advances	0.62	0.62
	81.30	99.27
Total	**329.22**	**369.29**

NOTE 22 OTHER CURRENT ASSETS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Interest accrued on deposits	0.01	0.01
Unamortised premium on foreign exchange forward contracts.	7.48	-
Mark to market of foreign exchange forward contracts (with corresponding effect in borrowings)	3.10	-
Total	**10.59**	**0.01**

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 23 REVENUE FROM OPERATIONS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
a. Sale of products		
Sale of iron ore	1,766.49	8,027.36
Less: Ocean freight	192.84	666.07
	1,573.65	7,361.29
Sale of metallurgical coke	171.94	200.73
Less: Excise duty	10.11	9.92
	161.83	190.81
Less: Ocean freight	0.09	0.02
	161.74	190.79
Sale of pig iron	866.74	791.10
Less: Excise duty	90.56	68.97
	776.18	722.13
Less: Ocean freight	1.59	1.89
	774.59	720.24
Sale of power	15.69	2.20
Conversion charges	0.12	0.01
	2,525.79	8,274.53
b. Sale of services		
Hire of transhipper	0.01	-
Hire of barges and jetties	0.69	2.64
Repairs of vessels by shipyard	1.39	-
Other services	2.42	6.99
	4.51	9.63
c. Other operating revenues		
Sale of materials	14.43	10.42
Sale of carbon credits	2.76	7.94
Sale of gases	-	2.56
Sale of slag	4.96	4.98
Credit balances written back	1.97	-
	24.12	25.90
Total	**2,554.42**	**8,310.06**

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 24 OTHER INCOME

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Interest		
on inter-corporate deposits	3.34	6.68
on bank deposits	0.07	4.90
others	0.28	1.81
Dividends		
on long term investments	0.04	-
on current investments	26.70	110.50
Profit on sale of current investments (net)	12.00	107.44
Profit on sale of fixed assets (net)	2.15	0.90
Other non-operating income	9.28	2.35
Total	**53.86**	**234.58**

NOTE 25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Inventories at the beginning of the year		
Finished goods		
Iron ore	302.26	313.80
Metallurgical coke	39.16	35.14
Pig iron	28.48	38.58
Work in progress (Metallurgical coke)	0.15	0.32
	370.05	387.84
Inventories at the end of the year		
Finished goods		
Iron ore	504.57	302.26
Metallurgical coke	97.52	39.16
Pig iron	113.72	28.48
Work in progress (Metallurgical coke)	-	0.15
	715.81	370.05
Net decrease / (increase)	**(345.76)**	**17.79**

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 26 EMPLOYEE BENEFITS EXPENSE

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Salaries, wages and incentives	208.60	219.33
Contributions to provident and other funds	24.89	27.41
Staff welfare expenses	16.03	21.69
Total	**249.52**	**268.43**

NOTE 27 FINANCE COSTS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Interest expense		
Working capital loans and commercial paper	211.40	189.74
Foreign currency convertible bonds	63.39	45.17
Others	4.67	5.94
Other borrowing costs	1.10	2.54
Net loss on foreign currency transactions and translations in respect of borrowings	194.09	189.87
Total	**474.65**	**433.26**

NOTE 28 OTHER EXPENSES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Consumption of stores and spare parts	207.84	349.94
Repairs and maintenance		
Plant and equipment	31.17	24.35
Buildings	5.47	5.42
Others	12.55	30.80
Contractors for hired trucks and other services	219.43	643.06
Hire of barges	6.73	51.11
Wharfage, tonnage, handling and shipping expenses	40.99	92.99
Rent	12.05	7.79
Royalty and cess	77.89	320.08
Rates and taxes	2.63	5.71
Insurance	11.83	13.93
Power and Fuel	9.86	20.74
Water charges	0.70	1.88
Excise duty on variation in stocks of finished goods	13.13	0.16
Indemnization for damages	-	0.59
Payments to auditors		

NOTE 28 OTHER EXPENSES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
as Auditors - statutory audit	0.57	0.54
for taxation matters	0.16	0.17
for other services	2.09	0.44
Reimbursement of expenses	0.06	0.06
Sitting fees and commission to non wholetime directors	0.35	0.64
Travelling and representation expenses	6.40	11.58
Professional and legal charges	45.11	54.72
Donations and contributions	3.88	7.17
Expenses towards corporate social responsibility	22.59	24.48
Provision for doubtful trade receivables	0.07	-
Export duty	442.97	1,623.29
Demurrage over despatch	4.62	67.27
Commission and brokerage	2.74	0.58
Testing and analysis expenses	0.82	2.88
Net loss on foreign currency transactions and translations	50.54	181.43
Miscellaneous expenses	44.29	49.39
	1,279.53	3,593.19
Less: Extraction and processing cost recovered	7.19	25.03
Total	**1,272.34**	**3,568.16**

NOTE 29 The Shareholders at the Court convened meeting held on June 19, 2012, have approved a Scheme of Amalgamation and Arrangement amongst Sterlite Industries (India) Limited, The Madras Aluminum Company Limited, Sterlite Energy Limited, Vedanta Aluminium Limited, and Sesa Goa Limited ("the Company") and their respective shareholders and creditors (the "Scheme") and also a Concurrent Scheme of Amalgamation of Ekaterina Limited with the Company and their respective shareholders and creditors (the "Concurrent Scheme"). The Scheme and the Concurrent Scheme are inter-conditional and the Concurrent Scheme coming into effect is a condition precedent to the effectiveness of the Scheme. Further, the name of the Company is proposed to be changed from Sesa Goa Limited to Sesa Sterlite Limited pursuant to the Scheme of Amalgamation and Arrangement.

The High Court of Bombay at Goa, based on the petitions filed by the Company, has approved the Scheme vide its Order dated April 3, 2013.The Scheme is also subject to approval of the Honourable High Court of Madras wherein the hearings have been completed and the order is awaited.

Pending the above Court approval and also pending Court approvals in respect of other entities involved in the Scheme, no accounting impact of the Scheme has been given in these financial statements.

NOTE 30 During the year, the Group, through its wholly owned subsidiary, Bloom Fountain Limited has acquired the remaining 49% stake in Western Cluster Limited, Liberia ("WCL") for a cash consideration of ₹ 183.68 crore. Post this acquisition, WCL has become a wholly owned subsidiary. WCL will develop the Western Cluster Iron Ore Project in Liberia which includes development of iron ore deposits, necessary transportation and shipping infrastructure for export of iron ore.

NOTE 31 a) The Honourable Supreme Court of India has given clearance for resumption of mining operations for 'A' and 'B' category mines in Karnataka subject to statutory clearances, vide its Order dated 18th April 2013. The Group's Karnataka mines fall under the 'B' category of mines in Karnataka and is in process of securing the necessary statutory clearance to resume mining shortly.

b) The Government Authorities have ordered suspension of mining operation of all mining leases in the State of Goa, stoppage of mining transport across the State of Goa and suspension of environmental clearance in September, 2012. In October, 2012, the Supreme Court has ordered suspension of all mining operations and transportation of iron ore of the mines in the State. In view of the foregoing, operations at the Group's mines in Goa remain suspended. The Group has filed an

Notes forming part of the financial statements as at and for the year ended March 31, 2013

application before the Supreme Court seeking modification or vacation of the aforesaid Order. Based on the favourable verdict of the Supreme Court lifting the suspension of iron ore mining in the State of Karnataka and the affidavit filed by the Government of Goa in the matter of resumption of mining in Goa, the Group expects a favourable outcome in the matter.

NOTE 32 Exceptional items for the current year pertain to expenditure in connection with the Group's Voluntary Retirement Scheme and for the previous year pertain to advisory fees, taxes thereon and other expenses incurred for the strategic investment in Cairn India Limited.

NOTE 33 The Group had acquired assets of Bellary Steel and Alloys Limited in 2010-11 for a consideration of ₹ 220 crore, on an "As is where is" basis. The above acquisition has been challenged by JSW Limited in the Supreme Court. The Court has directed both the parties to maintain status quo till the matter is decided. In the meanwhile, freehold land at ₹121.12 crore continues to be included in fixed assets and balance ₹ 98.88 in capital work-in-progress.

NOTE 34 CONTINGENT LIABILITIES

i) Guarantees (excluding the liability for which provisions have been made) amounting to ₹ 29.06 crore (Previous year ₹ 32.17 crore) given by the bankers in favour of various parties.

ii) Letters of Credit opened by the banks in favour of suppliers amounting to ₹ 86.87 crore (Previous year ₹ 138.19 crore).

iii) Bonds executed in favour of customs authorities in respect of export of iron ore ₹ 3,465.86 crore (Previous year ₹ 3,048.35 crore).

iv) Claims by custom authorities (under dispute) relating to differential export duty on export shipments ₹ 34.41 crore (Previous year ₹ 34.41 crore). The said amount is also included under bonds executed detailed in (iii) above.

v) Bills discounted under letters of credit with banks ₹ 16.13 crore. (Previous year ₹ 480.49 crore)

vi) There are disputed income tax demands lying at appellate authorities for assessment years 2004-05 to 2011-12, aggregating ₹ 1,544.15 crore (Previous year ₹ 245.38 crore) including interest ₹ 322.36 crore (Previous year ₹ 62.36 crore) and penalty ₹ 200 crore (Previous year Nil). The Parent has received a favourable order in respect of assessment year 2009-10 from the Income Tax Appellate Tribunal ("ITAT") allowing the claim of the Group on all the major matters and with direction to the Assessing Officer (AO) to re-compute the taxable income. Most of the pending assessment years have similar matters as covered in the aforesaid order.

vii) Disputed forest development tax amounting to ₹ 195.36 crore (Previous year ₹ 195.36 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 ₹ 45.00 crore (Previous year ₹ 45.00 crore) has been furnished against this demand. Also, an amount of ₹ 40.23 crore (Previous year ₹ 40.23 crore) has been deposited against the aforesaid demand and same is included under Short term loans and advances.

viii) 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 ₹ 148.50 crore (Previous year ₹ 154.16 crore) challenged by way of writ petition in the High Court of Bombay, Panjim Bench.

ix) Disputed marine claims aggregating ₹ 13.34 crore (Previous year ₹ 13.57 crore) and disputed income tax claims aggregating ₹ 109.68 crore (Previous year ₹ 116.92 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 dated 11.06.2009.

x) Other claims against the Group not acknowledged as debts:

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 ₹ 5.69 crore (Previous year ₹ 4.26 crore).

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

d) Others ₹ 13.96 crore (Previous year ₹ 3.32 crore)

The above amounts are based on the demand notices or assessment orders or notification by the relevant authorities, as the case may be, and the Group is contesting these claims wih the respective authorities. Outflows, if any, aising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Group's rights for future appeals before the judiciary.

NOTE 35 COMMITMENTS:

Estimated amount of contracts remaining to be executed on capital account ₹ 91.56 crore (Previous year ₹ 149.78 crore).

NOTE 36 DIRECT EXPENDITURE ON REPAIRS AND MAINTENANCE INCLUDED UNDER MAJOR HEADS OF EXPENSES ARE AS UNDER:

₹ in crore

Particulars	Plant and equipment	Buildings	Others	Total
Salaries, wages and incentives	18.66 (20.04)	2.60 (0.42)	0.34 (4.36)	21.60 (24.82)
Consumption of stores and spare parts	26.05 (93.85)	1.26 (1.46)	0.11 (0.20)	27.42 (95.51)
Contractors for hired trucks and other services	13.10 (11.92)	1.06 (0.17)	0.58 (0.43)	14.74 (12.52)
Others	0.58 (3.01)	0.94 (3.19)	0.10 (0.20)	1.62 (6.40)
Total	**58.39** (128.82)	**5.86** (5.24)	**1.13** (5.19)	**65.38** (139.25)

Figures in brackets relate to previous year

NOTE 37 CAPITAL WORK-IN-PROGRESS INCLUDES

₹ in crore

Particulars	**March 31, 2013**	March 31, 2012
Pre-operative expenditure as follows:		
Balanace at begining of the year	31.76	10.92
Add : Pre operative expenditure transferred from Statement of Profit and Loss		
Employee benefits expense	16.88	4.57
Finance Cost	2.83	14.75
Depreciation	0.60	-
Consumption of stores and spare parts	0.28	-
Repairs and maintenance-Others	0.34	-
Rent	3.14	0.52
Rates and taxes	0.45	0.22
Insurance	0.77	0.65
Travelling and representation expenses	3.21	0.26
Professional and legal charges	2.10	1.06
Miscellaneous expenses	3.79	2.22
	66.15	35.17
Less : Capitalised during the year	30.94	3.41
Balance at the end of the year	**35.21**	**31.76**

NOTE 38 EMPLOYEE BENEFITS PLANS:

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 the 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 Company Limited and ICICI Prudential Life Insurance Company Limited, which are irrevocable. Commitments are actuarially determined at the year end. The actuarial valuation is done using "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

Notes forming part of the financial statements as at and for the year ended March 31, 2013

The details of the defined benefit plans are as below:

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Fair value of plan assets	43.35	43.92
Present value of defined benefit commitment	(54.54)	(53.40)
Net changes in liability recognised in the Balance Sheet	(11.19)	(9.48)
Defined benefit commitment		
Balance at beginning of the year	53.40	43.54
Acquired on acquisition	-	0.13
Current service cost	3.28	2.62
Benefits paid	(13.16)	(5.93)
Interest cost	4.28	3.48
Actuarial (gains)/losses	6.74	9.56
Balance at end of the year	54.54	53.40
Change in fair value plan assets		
Balance at beginning of the year	43.92	40.05
Adjustments relating to earlier years	(0.73)	-
Contribution made	9.79	6.01
Benefits paid	(13.16)	(5.83)
Return on plan assets	3.30	3.47
Actuarial gains/(losses)	0.23	0.22
Balance at end of the year	43.35	43.92

The Plan assets of the Group are managed by the Life Insurance Corporation of India, HDFC Standard Life Insurance Company 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

Particulars	March 31, 2013	March 31, 2012
Expected return on plan assets	3.30	3.47
Actuarial gain /(loss)	0.23	0.22
Actual return on plan assets	3.53	3.69

Expenses on defined benefit plan recognised in the Statement of Profit and Loss

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Current service cost	3.28	2.62
Actuarial (gains) /losses	6.51	9.34
Expected return on plan assets	(3.30)	(3.47)
Interest cost	4.28	3.48
Direct payments	0.01	(0.79)
Adjustments relating to earlier years	0.73	-
Total expenses accounted in the Statement of Profit and Loss	11.51	11.18

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 commitment's size, funding requirements.

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Rate on discounting liabilities	8%	8%
Expected salary increase rate	5%, 7% & 7.5%	5%, 7% & 7.5%
Expected rate of return on plan assets	9%, 9.30% & 9.40 %	9%, 9.30% & 9.40 %
Withdrawal rates	1% to 3%	1.50%
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 on a long term basis.

Experience adjustment

₹ in crore

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Present value of commitment	(54.54)	(53.40)	(43.53)	(38.60)	(25.63)
Fair value of the plans	43.35	43.92	40.04	37.80	20.88
Surplus / (deficit)	(11.19)	(9.48)	(3.49)	(0.80)	(4.75)
Experience adjustment on plan liabilities	1.75	(0.27)	2.60	(0.90)	3.14
Experience adjustment on plan assets	(1.18)	(0.24)	(3.23)	3.41	(0.04)

The contributions expected to be made by the Company during the financial year 2013-14 are ₹ 11.10 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 prescribed in the respective scheme.

A sum of ₹ 13.38 crore (Previous year ₹ 16.26 crore) has been charged to the Statement of Profit and Loss in this respect, the components of which are tabulated below:

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Provident fund and family pension fund	9.00	10.86
Annuity fund	4.38	5.40
	13.38	**16.26**

The Group's provident fund is exempted under section 17 of the Employees Provident Fund Act, 1952. Conditions for grant of exemption stipulates that the employer shall make good deficiency, if any, between the return guaranteed by the statute and actual earning of the Fund.

Based on a Guidance Note from The Institute of Actuaries - Valuation of Interest Guarantees on Exempt Provident Funds under AS 15 (Revised 2005) for actuarially ascertaining such interest liability, the interest shortfall that is required to be met by the Group as at March 31, 2013 is Nil (Previous year ₹ 1.08 crore)

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 39 SEGMENT INFORMATION

As required by Accounting Standard No.17 on Segment Reporting

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

- Iron ore
- Metallurgical coke
- Pig iron
- Power

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	Power	Unallocated	Total
Revenue						
- Sales / Income from operations (net of duties and ocean freight)	1,697.30 (7,516.06)	558.29 (550.51)	784.00 (730.47)	29.84 (2.21)		3,069.43 (8,799.25)
Less : Intersegment revenue	106.27 (138.51)	393.40 (350.29)	1.30 (-)	14.04 (0.39)		515.01 (489.19)
Net revenue from operations	1,591.03 (7,377.55)	164.89 (200.22)	782.70 (730.47)	15.80 (1.82)		2,554.42 (8,310.06)
Other income	11.04 (2.71)	0.09 (0.17)	0.24 (0.37)	0.06 (-)		11.43 (3.25)
Segment revenue	1,602.07 (7,380.26)	164.98 (200.39)	782.94 (730.84)	15.86 (1.82)		2,565.85 (8,313.31)
Add : Interest income						3.69 (13.39)
Add : Dividend income						26.74 (110.50)
Add : Profit on sale of investment						12.00 (107.44)
Enterprise revenue						2,608.28 (8,544.64)

₹ in crore

Particulars	Iron ore	Metallurgical coke	Pig iron	Power	Unallocated	Total
Segment result before tax, interest, dividend and other non- recuring / unallocable income	347.43 (3,334.90)	-68.08 (15.96)	-9.33 (45.44)	9.40 (0.87)		279.42 (3,397.17)
Less: Finance costs						474.65 (433.26)
Less: Exceptional item						21.17 (66.09)
Add : Interest income						3.69 (13.39)
Add : Dividend income						26.74 (110.50)
Add : Profit on sale of investment						12.00 (107.44)
Profit / (Loss) before taxation						-173.97 (3,129.15)
Segment assets	4,955.10 (4,657.66)	470.94 (663.44)	909.50 (683.04)	98.47 (107.84)	16,455.15 (14,289.15)	22,889.16 (20,401.13)
Segment liabilities	455.89 (636.34)	234.69 (387.25)	118.91 (51.08)	1.09 (17.21)	4,603.18 (4,191.04)	5,413.76 (5,282.92)
Capital expenditure	555.21 (475.55)	18.62 (26.63)	55.65 (236.44)	0.06 (-)	- (-)	629.54 (738.62)
Depreciation and amortisation expense	152.69 (88.57)	14.23 (8.39)	25.12 (8.69)	5.42 (0.49)	- (-)	197.46 (106.14)
Significant non- cash expenses other than depreciation and amortisation expense	- (-)	- (-)	- (-)	- (-)	70.61 (195.84)	70.61 (195.84)

Figures in brackets relate to previous year

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

₹ in crore

Particulars	**March 31, 2013**	March 31, 2012
Segment revenue:		
India	996.65	1,372.49
Outside India	1,569.20	6,940.82
Segment assets:		
India	5,375.59	5,207.47
Outside India	1,058.42	904.51
Capital expenditure:		
India	416.63	599.30
Outside India	212.91	139.32

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 40 RELATED PARTY INFORMATION:

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

A. Names of the related parties and their relationships:

i) Ultimate holding company and its intermediaries

Ultimate Holding company

Vedanta Resources plc

Intermediaries

Finsider International Company Limited

Twin Star Holdings Limited

Westglobe Limited

ii) Associate (and an indirect subsidiary of the ultimate holding company)

Cairn India Limited

iii) Jointly Controlled Entity:

Goa Maritime Private Limited

iv) Fellow Subsidiaries:

(With whom transactions have taken place during the year)

Bharat Aluminium Company Limited

Hindustan Zinc Limited

Konkola Copper Mines

Sterlite Industries (India) Limited

Sterlite Iron and Steel Company Limited

Talwandi Sabo Private Limited

The Madras Aluminium Company Limited

Twin Star Mauritius Holdings Limited

Vedanta Aluminum Limited

Vizag General Cargo Berth Private Limited

v) Details of Key Management Personnel

Mr. P.K. Mukherjee, Managing Director

Mr. A. Pradhan, Wholetime Director

Mr. A.K. Rai (Retired on July 31, 2011), Wholetime Director

Mr. Pramod Unde, Wholetime Director of Sesa Mining Corporation Private Limited

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

Sesa Community Development Foundation

B Transactions with related parties:

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

₹ in crore

	Particulars	Name of the Related Party	March 31, 2013	March 31, 2012
1)	Income			
	Revenue from Operations	Goa Maritime Private Limited	0.01	-
		Hindustan Zinc Limited	1.42	2.40
		Sterlite Industries (India) Limited	5.08	6.43
	Interest on inter-corporate deposits	Sterlite Iron And Steel Company Limited	3.34	2.99
		Vedanta Aluminium Limited	-	3.62
	Interest - others	Goa Maritime Private Limited	0.03	0.04
2)	Expenses			
	Long Term Incentive Plan	Vedanta Resources plc.	11.87	10.61
	Recovery of expenses	Bharat Aluminium Company Limited	(0.02)	-
		Black Mountain Mining (Pty) Ltd	(0.02)	-
		Hindustan Zinc Limited	(1.26)	(0.01)
		Konkola Copper Mines	(0.04)	(0.04)
		Sterlite Industries (India) Limited	(0.06)	(0.07)
		The Madras Aluminium Company Limited	-	(0.02)
		Vedanta Aluminum Limited	(0.07)	(0.02)
		Vizag General Cargo Berth Private Limited	(0.02)	(0.01)
	Expenses reimbursed	Goa Maritime Private Limited	5.80	10.28
		Hindustan Zinc Limited	1.01	0.21
		Konkola Copper Mines	-	0.01
		Sterlite Industries (India) Limited	11.42	7.44
		Talwandi Sabo Private Limited	-	0.01
		The Madras Aluminium Company Limited	0.01	-
		Vedanta Aluminum Limited	0.01	0.42
		Vizag General Cargo Berth Private Limited	0.03	-
	Advisory Fees	Twin Star Mauritius Holdings Limited	-	56.43

Notes forming part of the financial statements as at and for the year ended March 31, 2013

₹ in crore

	Particulars	Name of the Related Party	March 31, 2013	March 31, 2012
3)	Purchase of Fixed Assets	Sterlite Industries (India) Limited	4.13	-
4)	Dividend Paid	Finsider International Company Limited	80.30	220.82
		Twin Star Holdings Limited	6.65	18.30
		West Globe Limited	8.87	24.39
5)	Loans and Advances - Intercorporate deposits			
	Given / (Repaid) during the year	Sterlite Iron and Steel Company Limited	0.59	6.17
		Vedanta Aluminium Limited	-	(1,000.00)
	Balance as at end of the year	Sterlite Iron and Steel Company Limited	33.47	32.88
6)	Loans and Advances - Others			
	Balance as at end of the year	Goa Maritime Private Limited	0.27	0.39
		Sterlite Iron and Steel Company Limited	6.50	3.50
7)	Outstanding receivable / (payable) as at the end of the year	Goa Maritime Private Limited	0.46	(0.54)
		Hindustan Zinc Limited	0.41	(0.26)
		Konkola Copper Mines	-	(0.01)
		Sterlite Industries (India) Limited	(4.51)	(0.61)
		Twin Star Mauritius Holdings Limited	(1.56)	(1.56)
		Vedanta Aluminum Limited	0.01	(0.05)
		Vedanta Resources plc.	(30.07)	(17.20)

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

₹ in crore

Remuneration to Key Management Personnel	March 31, 2013	March 31, 2012
Mr. P. K. Mukherjee	2.30	3.78
Mr. A. Pradhan	1.49	1.90
Mr. A. K. Rai (Retired on July 31, 2011)	-	1.89
Mr. Pramod Unde	0.00	1.60
	3.79	**9.17**

₹ in crore

Outstanding receivable / (payable)	March 31, 2013	March 31, 2012
Mr. P. K. Mukherjee	(0.05)	(0.91)

SECTION 04

iii) Details relating to persons referred to in item A (vii) above

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Donation	3.94	5.29

iv) Additional information required as per Clause 32 of the Listing Agreement

₹ in crore

Particulars	March 31, 2013		March 31, 2012	
	Outstanding as at March 31, 2013	Maximum amount outstanding during the year	Outstanding as at March 31, 2012	Maximum amount outstanding during the year
Inter-corporate deposits – Dues from fellow subsidiaries				
Sterlite Iron and Steel Company Limited	33.47	33.47*	32.88	32.88

* Inter-corporate deposits have been placed at an interest rate of 10% p.a.

NOTE 41 EARNINGS PER SHARE:

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Profit for the year (₹ in crore)	2,280.25	2,695.50
Weighted average no. of equity shares	869,101,423	869,101,423
Nominal value of each equity shares	₹1	₹1
Basic earnings per share (in ₹)	26.24	31.01
Add: Expenses/ (income) to the Statement of Profit and Loss on account of Foreign Currency Convertible Bonds (net of tax)	133.48	127.32
Profit for Diluted Earning per share	2,413.73	2,822.82
Weighted average number of shares for Basic EPS	869,101,423	869,101,423
Add: Effect of potential equity shares on conversion of Foreign Currency Convertible Bonds	30,000,000	30,000,000
Weighted average number of shares for Diluted Earning per share	899,101,423	899,101,423
Diluted earnings per share (in ₹) [restricted to basic EPS since anti dilutive]	26.24	31.01

NOTE 42 DISCLOSURE REGARDING JOINTLY CONTROLLED ASSETS - MV GOAN PRIDE

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Jointly controlled assets - Net Book Value	25.07	28.27
Liabilities	7.61	14.32
Expenses incurred	30.19	31.00
Income recognised	2.29	12.92

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 43 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 March 31, 2013 is as under:

₹ in crore

Nature of obligation	March 31, 2013	March 31, 2012
Provision for mine closure		
Opening carrying amount	3.46	3.46
Additional provision made during the year	0.11	-
Closing carrying amount	3.57	3.46

NOTE 44 FOREIGN CURRENCY EXPOSURES:

a) The Company enters into forward contracts which are not intended for trading or speculative purposes, but for hedging.

i. Forward exchange contracts outstanding as at March 31, 2013

Particulars	Mar 31, 2013		March 31, 2012	
	₹ in crore	Fx million	₹ in crore	Fx million
Buy Contracts				
USD / INR	1,128.49	USD 207.43	-	-
EUR / INR	-	-	7.83	EUR 1.17
EUR / USD	-	-	6.99	EUR 1.05

b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below.

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

Particulars	Mar 31, 2013		March 31, 2012	
	₹ in crore	Fx million	₹ in crore	Fx million
Trade receivables and advances to suppliers	22.60	USD 3.98	347.86	USD 59.75
		JPY 0.10		EUR 6.13
		CAD 0.03		JPY 1.58
		EUR 0.03		SGD 0.01
		SGD 0.003		GBP 0.02
Bank balances	0.02	CNY 0.03	0.05	CNY 0.06
				USD 0.00006

SECTION 04

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

Particulars	Mar 31, 2013		March 31, 2012	
	₹ in crore	Fx million	₹ in crore	Fx million
Trade payables and other current liabilities	124.63	USD 22.65	485.2	USD 94.73
		EUR 0.07		JPY 2.64
		GBP 0.002		EUR 0.01
		JPY 0.16		AUD 0.05
		SGD 0.003		GBP 0.02
		AUD 0.01		
Foreign Currency Convertible Bonds and interest there on	1,206.79	USD 221.88	1,135.25	USD 221.92
Foreign Currency Loan and interest there on	25.51	USD 4.69	1,506.85	USD 294.55

Footnote: Fx = Foreign currency; USD = US Dollar; EUR = Euro; JPY = Japanese Yen; GBP = Great Britain Pound; CNY = Chinese Yuan; SGD = Singapore Dollar; CAD = Canadian Dollar; AUD = Australian Dollar;

NOTE 45 The Group offers equity-based award plans to its employees, officers and directors through its ultimate holding company, Vedanta Resources plc., the Vedanta Resources Long-Term Incentive Plan (the "LTIP").

The LTIP is the primary arrangement under which share-based incentives are provided to the defined management group. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the balance of basic salary and share-based remuneration consistent with local market practice. The performance condition attaching to outstanding awards under the LTIP is that of Vedanta's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three year period 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 and subsequently further awards were granted in the respective years. The awards are indexed to and settled by Vedanta shares. The awards provide for a fixed exercise price denominated in Vedanta's functional currency at 10 US cents per share, the performance period of each award is three years and the same is exercisable within a period of six months from the date of vesting beyond which the option lapse. During the year, Vedanta has granted a new LTIP tranche that shall vest based on the achievement of business performance in the performance period.

Further, in accordance with the terms of agreement between Vedanta and the Group, on the grant date, fair value of the awards is recovered by Vedanta from the Group.

Amount recovered by Vedanta and recognised by the Group in the Statement of Profit and Loss for the financial year ended March 31, 2013 is ₹ 11.87 crore (Previous year ₹ 10.61 crore) . The Group considers these amounts as not material and accordingly has not provided further disclosures.

NOTE 46 Previous year's figures have been regrouped / reclassified, to correspond with the current year's classification/ disclosure.

For and on behalf of the Board of Directors

P. K. Mukherjee	**Amit Pradhan**	**S. L. Bajaj**	**C. D. Chitnis**
Managing Director	Director	Director-Finance	Company Secretary

Place: Panaji - Goa
Date: April 27, 2013

Notice of Annual General Meeting

Notice is hereby given that the Forty-Eight Annual General Meeting of Sesa Goa Limited will be held on Thursday, June 27, 2013 at 10.00 A.M. at Hotel Mandovi, Panaji, Goa, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and the Statement of 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. K. K. Kaura who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. J. P. Singh 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

To consider and, if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

6. "RESOLVED that subject to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactments thereof, approval of the Company be and is hereby accorded to the re-appointment of Mr.Amit Pradhan as Wholetime Director of the Company, for the period from April 1, 2013 upto March 31, 2015 and to the payment of remuneration, with the base salary of ₹ 3,42,600/- per month (in the scale of ₹ 1,50,000/- to ₹ 5,00,000/-), more particularly as set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting, with a liberty to the Board of Directors to vary and increase the remuneration and perquisites payable or to be provided to Mr. Amit Pradhan including any monetary value thereof to the extent the Board of Directors may consider appropriate and to alter and vary the terms and conditions of the Agreement as may be agreed to by the Board of Directors and Mr. Amit Pradhan during the aforesaid period.

RESOLVED FURTHER that in the event of absence or inadequacy of profits in any financial year, the Company shall pay Mr. Amit Pradhan minimum remuneration by way of salary, perquisites or any other allowance, as set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting and in accordance with the applicable provisions of the Companies Act, 1956.

RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient or desirable to give effect to this resolution."

By Order of the Board
SESA GOA LIMITED

Place: Panaji - Goa
Date: April 27, 2013

C. D. Chitnis
Company Secretary & AVP-Legal

NOTES:

A) The relative Explanatory Statement as required by Section 173 of the Companies Act, 1956, in regard to the Special Business entered under Item 6 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, June 4, 2013 to Thursday, June 6, 2013 (both days inclusive).

D) The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between June 28, 2013 and July 25, 2013 to those members whose names shall appear on the Company's Register of Members on Monday, June 3, 2013; 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 March 31, 2005 and interim dividend for the financial year ended March 31, 2006 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 March 31, 2006 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 March 31, 2006 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 March 31, 2013 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) Sesa is concerned about the environment and utilises natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA),Government of India, has by its Circular Nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, permitted Companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

Recognising the spirit of the Circular issued by the MCA, the Company is sending documents like the Notice convening the General Meetings, Financial Statements, Directors' Report, Auditors' Report, etc. to the email address provided by you with your depositories.

We request you to update your e-mail address with your Depository Participant to ensure that the Annual Report and other documents reach you on your preferred email account.

L) 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. Kuldip Kumar Kaura
	Age	66 years
	Qualifications	Degree in Mechanical Engineering (Honours) from BITS, Pilani & Executive education at London Business School & IFL, Sweden.
	Expertise	18 years of experience at ABB India at various operations & business management positions. He was a member of Directors of ABB India from 1996 and was Managing Director and Country 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. Presently, he is the CEO & Managing Director of ACC Limited.
	Shareholding	Nil

Other Directorships / Committee Memberships

Sr. No.	Name of the Company	Position held	Committee Type	Membership Status
1.	ACC Ltd.	CEO & Managing Director	-	-
2.	Bulk Cement Corpn (I) Ltd.	Director	-	-
3.	Holcim Services (South Asia) Ltd.	Director	-	-
4.	ACC Mineral Resources Limited.	Director	-	-

Notice of Annual General Meeting

ii)	Name	Mr. J. P. Singh
	Age	65 years
	Qualifications	M.A, MPA (Harvard), IAS Retd. (Rajasthan 1972)
	Expertise	Former Secretary, 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
		NIL		

iii)	Name	Mr. Amit Pradhan
	Age	58 years
	Qualifications	M.Sc. (Physics) from IIT Delhi
	Expertise	35 years of experience in Material /Project Management with a stint in Business Development.
	Shareholding	1,340 shares

Other Directorships / Committee Memberships

Sr. No.	Name of the Company	Position held	Committee Type	Membership Status
1.	Goa Energy Limited	Director	-	-

SECTION 04

Annexure to Notice

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956

ITEM NO. 1

The Board of Directors of the Company, at its Meeting held on April 27, 2013 re-appointed Mr. Amit Pradhan as Wholetime Director of the Company, effective from April 1, 2013 upto March 31, 2015 subject to the approval of the Shareholders at the General Meeting of the Company on a base salary of ₹ 342,600/- per month in the scale of ₹ 1,50,000/- to ₹ 500,000/- as recommended by the Remuneration Committee.

Mr. Amit Pradhan is M.Sc. (Physics) from IIT Delhi with 35 years experience in Material /Project Management with a stint in Business Development.

The remuneration proposed and reproduced herein below is within the norms to the Schedule XIII of the Companies Act, 1956 as amended:

(A)	Base Salary	₹ 342,600/- per month (in the scale of ₹ 150,000/- to ₹ 500,000/). Salary shall normally be subject to review for competitiveness periodically being adjusted as appropriate and as approved by the Board.
(B)	Executive Allowance	20% of monthly Base Salary payable each month.
(C)	Performance linked pay	Eligible for variable performance payments, normally made once annually following the end of the preceding fiscal year. Payments will be linked to individual, team and business performance achieved that year and may range upto 100% of annual salary paid as approved by the Board.
(D)	Perquisites	In addition to Base Salary, Performance linked pay and Executive Allowance are classified in 3 categories as under:

Category A

i) Housing - As per rules of the Company.

ii) Medical Reimbursement - Expenses incurred for self and family will be as per the rules of the Company.

iii) Leave Travel Concession - For self and family once in a year in accordance with the rules of the Company.

iv) Leave - As per rules of the Company. The availment / accumulation and encashment of leave will be as per rules of the Company.

v) Club Fees - Annual membership and entrance fees shall be borne by the Company for upto two clubs. However, life membership fees will not be paid by the Company.

vi) Personal Accident Insurance - Coverage by Policy for ₹ 2,500,000/-.

For the purpose of Category A "Family" means wife, dependent children and dependent parents.

Category B

The Company's contribution to Provident Fund and Superannuation Fund will be as per rules of the Company.

Gratuity - As per the rules of the Company and from the date of commencement of employment with the Company.

Category C

The Company shall provide car, driver and mobile phone for business and personal use and telephone/fax/internet facility at the principal place of residence.

In the event of any loss or inadequacy of profits in any financial year during Mr. Amit Pradhan's tenure the Company shall remunerate him by way of salary, perquisites or any other allowance as specified above or within the applicable limit stipulated in Section II, Part II Schedule XIII, whichever is higher.

Mr. Amit Pradhan will not be entitled to sitting fees for attending Board/Committee Meetings of the Company.

The remuneration is subject to the provisions of the Income Tax Act, as applicable from time to time.

Mr. Amit Pradhan is interested in the Resolution, which if passed, will benefit him. No other Director is interested in this item.

Copy of the existing contract of Mr. Amit Pradhan is available for inspection at the Registered Office of the Company on any working day during office hours. The Board commends passing of the resolution.

The above statement under Item 1 may also be regarded as abstract of the terms and conditions and memorandum of interest under Section 302 of the Companies Act, 1956.

By Order of the Board
SESA GOA LIMITED

Place: Panaji - Goa
Date: April 27, 2013

C. D. Chitnis
Company Secretary & AVP-Legal

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.	
Client Id.	

Folio No.	
No. of shares	

I hereby record my presence at the 48th Annual General Meeting of the Company on Thursday, June 27, 2013 at 10.00 a.m. at Hotel Mandovi, 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...as my/our proxy to vote for me/us and on

my/our behalf at the 48th Annual General Meeting of the Company on Thursday, June 27, 2013 at 10.00 a.m. at Hotel Mandovi, Panaji, Goa and at any adjournment thereof.

Signed this ....day of..2013.

Folio No./DP ID and Client ID:
Address:

Affix ₹ 1/-
Revenue
Stamp

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.

Corporate Information

Board of Directors

Kuldip K. Kaura

Jagdish P. Singh

Gurudas D. Kamat

Ashok Kini

Amit Pradhan
Wholetime Director

Prasun 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 4465 5000
Fax: 040 2342 0814
Email: mailmanager@karvy.com
einward.ris@karvy.com
www.karvycomputershare.com

Bankers

Canara Bank

State Bank of India

ICICI Bank Limited

Kotak Mahindra Bank

Yes Bank

Standard Chartered Bank India

DBS Bank India

HDFC Bank

Mining and other establishments

Goa and Karnataka, India

Liberia, Africa

SESA GROUP

SESA GOA LIMITED

Sesa Goa Limited
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