

# Corporate Information

## Board of Directors:

Mr P K Mukherjee

Mr S L Bajaj

Mr Amit Pradhan

## Registered Office:

Goa Energy Limited

221, Fort House, Second Floor,

Dr D N Road, Fort,

Mumbai – 400001

Maharashtra, India

## Auditors:

PKF Sridhar & Santhanam

Chartered Accountant

Chennai

## Bankers:

IDBI Bank, Mumbai,

Indian Overseas Bank, Mumbai

Allahabad Bank, Mumbai

ICICI Bank, New Delhi

Corporation Bank, Panaji

## Establishments:

Goa, India

# Directors' Report

To the members,

The SEVENTEENTH ANNUAL REPORT of the Company together with the Audited Statement of Accounts for the Financial Year ended March 31, 2013 is presented herewith.

## 1. Financial Results

Particulars	₹ in crore	
	2012 -13	2011 - 12
<b>Profit before provision for depreciation &amp; tax</b>	<b>14.75</b>	<b>7.82</b>
Less: Depreciation	5.42	5.45
Provision for Tax		
- Current Tax (Minimum Alternative Tax)	1.90	0.49
- Deferred Tax	0.97	4.98
<b>Profit (Loss) after depreciation &amp; tax</b>	<b>6.46</b>	<b>(3.10)</b>
Add: Balance brought forward from preceding year	(8.18)	(5.08)
<b>Profit (Loss) available for appropriation</b>	<b>(1.72)</b>	<b>(8.18)</b>
<b>Appropriations</b>		
General Reserve	-	-
Balance Carried to Balance Sheet	(1.72)	(8.18)
	<b>(1.72)</b>	<b>(8.18)</b>

## 2. Business Performance and Outlook

In FY 2013, the power generation of the plant was 159,694 MWH as compared to 13,364 MWH (w.e.f. March 02, 2012) in financial year 2012 when Sesa Goa Limited took over the operational control of the power plant.

During the year the Company has repaid the advances taken from the holding company in full and repaid ₹ 7.6 crore to M/s Sesa Resources against the loan.

The prime target is to have 100 % plant availability and to maximise the plant load factor based on the availability of BF gas & COF gas from Sesa Goa Limited.

The plant contributed in satisfactory compliance under the monitoring & verification protocol for the parent company to earn 90,004 CERs under the UNFCCC CDM registration project.

## 3. Directors

Mr. P. K. Mukherjee, Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offer him-self for re-appointment.

## 4. Auditors

The Company's Auditors, M/s PKF Sridhar & Santhanam, Chartered Accountants, Chennai retire at the ensuing Annual General Meeting and are eligible for re-appointment.

## 5. 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 judgements 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.

## 6. Safety

The FSI is an index which simultaneously takes into accounts both the frequency and severity of accidents. The Company's safety performance is given below. There was no loss time injury at GEL during the period

Particulars	2012 -13	2011 - 12
FSI	-	-

FSI - Frequency Severity Incidence

## 7. Particulars of Employees

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## 8. Conservation of Energy

Your Company has been continuously making efforts to reduce Auxiliary Power Consumption focusing primarily on:-

- Benchmarking auxiliary consumption with similar plants & comparing with historical data;
- Elimination of wastages of heat energy through constant monitoring/up-keeping;
- Periodic training and employee motivation towards Energy Conservation;
- In-house modification & up-gradation of BFG combustor to enhance the intake capacity from 40000 Nm<sup>3</sup>/hr of BFG to 43000 Nm<sup>3</sup>/hr of BFG. This has almost eliminated the surplus BFG flaring to atmosphere & resulted in increase in power generation by 0.8 MW;
- Plant illumination survey has been carried out to ensure optimum lux levels in the workplace & also remove excess lighting if any.

In addition to above measure, the Company has been continuously monitoring the implementation of energy saving procedures and programmes in its production and service units.

## 9. Technology Absorption, Adaptation and Innovation

- The Company's power plant operations uses a highly accurate non-editable version of Distributed Control System (DCS) comprises with the transducers for measuring the total electricity generation data

continuously, based on captured data daily power generation/ consumption reports are being prepared;

- The instrumentation and control system for the power plant is designed with adequate instruments to control and monitor the various operating parameters for safe and efficient operation of the waste heat recovery boilers with external combustors for BFG and the steam turbine generator unit;
- The power plant employs the state of art monitoring and control equipment that measures, records, reports, monitors and controls various key parameters like total power generated, power used for auxiliary consumption, power export to Sesa and to PTCIL, flow rate, temperature and pressure parameters of the waste gas, steam generated and steam sent to turbine to generate power;
- Special ABT (Availability Based Tariff) compatible 0.2 class energy meters, with communication facilities, are installed at the interface of GEL electrical system with Goa Electricity Department (GED) electricity grid;
- Improvement in the absorption of technology is a continuous process and the efforts taken towards the same by way of inputs and benefits derived thereof cannot be quantified separately.

## 10. Acknowledgement

The Directors would like to thank the employees and employee unions, customers, suppliers, bankers, regulatory authorities and all the other business associates of the Company for their confidence and support to its Management. It would also like to thank the Central and State Governments for their support. And, finally, Goa Energy Limited recognises and appreciates the cooperation and support from its holding Company Sesa Goa Limited.

**For and on behalf of the Board of Directors**

Place: Panaji - Goa  
Date: April 23, 2013

**Amit Pradhan**  
Director

**S. L. Bajaj**  
Director

## Annexure - A

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

The Company is engaged in the business of generation of power. The Company's 30 MW waste heat recovery based power generation plant is situated at Amona / Navelim in the State of Goa. The power generation plant of the Company is well equipped with the hi-tech energy monitoring and conservation system to monitor usage, minimise wastage and increase overall efficiency of the power plant. The Company continues to take various initiatives on conservation of 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 continues to take various initiatives to improve the technology and spread awareness by creating conducive atmosphere in its power generation plant, which inter-alia includes the following:
  - a) Imparting training to all the employees at regular intervals
  - b) Use of advanced technology and development of its own technologies
  - c) Display of informative boards at work station for conservation of energy
  - d) Reduction in power consumption
  - e) Awareness programmes towards optimum utilisation of natural resources
2. **Benefits derived as a result of the above efforts are inter alia:**
  - a) Improved efficiencies in the power generation.
  - b) Improvement in pollution control system.
  - c) Improved and sustainable resource and environment management.

### C. Foreign Exchange Earnings and Outgo

During the year, there were no earnings in foreign exchange. The outgo in foreign exchange was nil during the year as against nil in the previous year.

For and on behalf of the Board of Directors

Place: Panaji - Goa

**Amit Pradhan**

**S. L. Bajaj**

Date: April 23, 2013

Director

Director

## Independent Auditors' Report To the Members of Goa Energy Limited

### REPORT ON THE FINANCIAL STATEMENTS

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

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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 sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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.

### AUDITOR'S 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 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 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 for the year ended on that date; and

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
  - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - On the basis of written representations received from the Directors as on March 31, 2013, and 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 clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **PKF Sridhar & Santhanam**  
Chartered Accountants  
Firm's Regn. No.: 003990S

**V. Kothandaraman**  
Partner  
(Membership No. 25973)

Place: Ramagundam  
Date: April 23, 2013

## Annexure to the Auditors' Report

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) The company has a regular program of verifying fixed assets every year, which, in our opinion, is reasonable having regards to the size of the Company and nature of the assets. In our opinion and as per the information given by the management, no material discrepancies were noticed during such verification;
- (c) There was no substantial disposal of fixed assets during the year;
- (ii) (a) In our opinion, physical verification of inventory has been conducted at reasonable intervals by the management;
- (b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company has maintained proper records of inventory. No material discrepancies have been noticed on physical verification between physical stock and book records;
- (iii) During the year, the company has not taken/granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act;
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of audit, we have not observed any correct major weaknesses in internal control or any continuing failure to correct major weakness in internal control;
- (v) In our opinion and according to the information and explanation given to us, there are no transaction in pursuance of contracts or agreements entered in the register maintained u/s 301 of the Companies Act, 1956 exceeding the value of Rupees five lakhs in respect of any party during the year;
- (vi) The company has not accepted deposits from the public within the meaning of sections 58A and 58AA of the Act and the rules framed there under;
- (vii) In our opinion, the company has an internal audit system commensurate with its size and the nature of its business
- (viii) We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by Central Government for the maintenance of the cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of these records;
- (ix) (a) According to the information and explanation given to us and on the basis of our examination of the books of accounts, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, cess, sales tax,, service tax, customs duty and other material statutory dues applicable to it. Statutory dues in respect of excise duty, wealth tax, and investor education and protection fund are not applicable to the company. According to the records examined by us and information and explanations given to us, no undisputed dues payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, excise duty, investor education and protection fund and cess were in arrears, as at March 31, 2013 for more than six months from the date they become payable;
- (b) There are no dues of sales tax/income tax/custom tax/wealth tax/excise duty/cess, which have not been deposited on account of any dispute;
- (x) The company has accumulated losses as on March 31, 2013, which has eroded the networth of the company. The Company has not incurred any cash loss during the financial year ended on that date or in the immediately preceding financial year;
- (xi) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders;
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and any other securities;
- (xiii) As the company is not a Chit Fund/ Nidhi/ Mutual Benefit Fund / Society, the provision of special statute applicable to chit fund is not applicable to this Company;
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments;
- (xv) On the basis of the information and explanation give to us, the Company has not given any guarantees for loans taken by others from bank or financial institutions;
- (xvi) During the year, company has not availed any term loan.
- (xvii) On the basis of review of utilisation of funds, which is based on overall examination of the balance sheet of the company, related information as made available to us and as represented to us by the management, funds raised on short-term basis have been used for long-term investments. Current maturities of long term borrowings of ₹ 38.62 crore have been used for financing the fixed assets;
- (xviii) The company has issued 40,000, 0% Redeemable Preference Shares of ₹ 10/- each to the holding company, Sesa Goa Limited and the price at which shares have been issued is not prejudicial to the interest of the company;
- (xix) The Company has not issued any debentures during the year;
- (xx) The Company has not raised any money by way of public issue during the financial year;
- (xxi) As represented to us by the management and based on our examination of the books and records of the company in accordance with the generally accepted auditing practices in India, we have neither come across any material fraud on or by the Company noticed or reported during the year nor we have been informed of any such case by the management that causes the financial statements to be materially misstated.

For **PKF Sridhar & Santhanam**  
Chartered Accountants  
Firm's Regn. No.: 003990S

**V. Kothandaraman**  
Partner  
(Membership No. 25973)

Place: Ramagundam  
Date: April 23, 2013

**Balance Sheet** as at March 31, 2013

Particulars	Note	As at March 31, 2013	As at March 31, 2012
₹			
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	500,000	100,000
Reserves and surplus	3	(17,283,492)	(81,886,204)
		(16,783,492)	(81,786,204)
Share application money pending allotment	4	329,600,000	330,000,000
<b>Non-current liabilities</b>			
Long-term borrowings	5	-	462,000,000
Deferred tax liabilities (Net)	6	59,511,667	49,826,667
Long-term provisions	7	1,659,569	1,147,357
		61,171,236	512,974,024
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	8	386,200,000	33,736,481
Trade payables	9	6,119,193	86,961,981
Other current liabilities	10	4,089,598	1,276,272
Short-term provisions	11	71,981	513,228
		396,480,772	122,487,962
<b>TOTAL</b>		<b>770,468,516</b>	<b>883,675,782</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	12		
Tangible assets		749,401,580	803,291,110
Intangible assets		-	-
Capital work-in-progress		289,338	-
Long-term loans and advances	13	325,959	-
		750,016,877	803,291,110
<b>Current assets</b>			
Inventories	14	3,364,159	878,971
Trade receivables	15	12,252,228	26,372,992
Cash and cash equivalents	16	2,887,387	52,191,460
Short-term loans and advances	17	1,947,865	941,247
		20,451,639	80,384,670
<b>TOTAL</b>		<b>770,468,516</b>	<b>883,675,781</b>
Summary of significant accounting policies	1(b)		

The accompanying Notes are an integral part of the Financial Statements

As per our report of even date

For **PKF Sridhar & Santhanam**

Firm Registration No. 003990S  
Chartered Accountants

Partner: **V. Kothandaraman**

Membership No. : 25973

Place: Ramagundam

Date: April 23, 2013

For and on behalf of the Board of Directors

**Amit Pradhan**

Director

**S. L. Bajaj**

Director

**Anna Mathew**

Company Secretary

Place: Panaji - Goa

Date: April 23, 2013

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

Particulars	Note	For the year ended March 31, 2013	For the year ended March 31, 2012
₹			
<b>REVENUE</b>			
Revenue from operations	18	298,456,933	280,096,214
Other income	19	581,841	2,899,990
<b>TOTAL Revenue</b>		<b>299,038,774</b>	<b>282,996,204</b>
<b>EXPENSES</b>			
Manufacturing and Operating Costs	20	92,238,161	62,682,602
Employee Benefits Expense	21	13,639,358	15,871,886
Finance Costs	22	41,811,252	113,765,311
Depreciation and Amortisation expense	12	54,181,931	54,477,154
Other Expenses	23	3,870,889	12,480,403
<b>TOTAL Expenses</b>		<b>205,741,591</b>	<b>259,277,356</b>
<b>Profit Before Tax</b>		<b>93,297,183</b>	<b>23,718,848</b>
Less: Tax Expense			
Current Tax (Minimum Alternative Tax)		19,009,471	4,933,956
Deferred Tax		9,685,000	49,826,667
<b>Profit (Loss) for the Period</b>		<b>64,602,712</b>	<b>(31,041,775)</b>
Earnings per equity share:			
Basic		6,460	(3,104)
Diluted		6,460	(3,104)
Summary of significant accounting policies	1(b)		

The accompanying Notes are an integral part of the Financial Statements

As per our report of even date

For **PKF Sridhar & Santhanam**

Firm Registration No. 003990S  
Chartered Accountants

Partner: **V. Kothandaraman**

Membership No. : 25973

Place: Ramagundam

Date: April 23, 2013

For and on behalf of the Board of Directors

**Amit Pradhan**

Director

**S. L. Bajaj**

Director

**Anna Mathew**

Company Secretary

Place: Panaji - Goa

Date: April 23, 2013



## Statement of Cash Flow for the year ended March 31, 2013

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
₹		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax	93,297,183	23,718,848
Adjustments for:		
Depreciation & Impairment of Assets	54,181,931	54,930,028
Interest	41,811,252	113,765,311
Operating profit before working capital changes	189,290,366	192,414,187
Adjustments for:		
Trade and other receivables	13,025,216	8,027,079
Inventories	(2,485,188)	409,269
Trade payables	(77,958,495)	(30,827,078)
Cash generated from operations	121,871,899	170,023,456
Taxes paid	(19,246,500)	(4,933,956)
Net Cash from Operating Activities	102,625,399	165,089,500
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(581,739)	-
Net Cash used in Investing Activities	(581,739)	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of loan	(109,536,481)	(518,206,979)
Inter Corporate Deposits/Loans	-	495,736,481
Interest paid	(41,811,252)	(113,765,311)
Net Cash used in Financing Activities	(151,347,733)	(136,235,809)
Net Increase / (Decrease) in Cash and Cash Equivalents	(49,304,073)	28,853,691
Cash and cash equivalents - opening balance	52,191,460	23,337,769
Cash and cash equivalents - closing balance	2,887,387	52,191,460

As per our report of even date

For **PKF Sridhar & Santhanam**

Firm Registration No. 003990S  
Chartered Accountants

Partner: **V. Kothandaraman**

Membership No. : 25973

Place: Ramagundam

Date: April 23, 2013

For and on behalf of the Board of Directors

**Amit Pradhan**

Director

**S. L. Bajaj**

Director

**Anna Mathew**

Company Secretary

Place: Panaji - Goa

Date: April 23, 2013

## Notes to financial statements for the year ended on March 31, 2013

### NOTE 1 (A) CORPORATE INFORMATION

Goa Energy Limited (The Company), formerly known as Goa Energy Limited, is a company domiciled in India and incorporated under the provisions of the Companies Act 1956. The Company changed its legal status w.e.f. January 4, 2013. The Company is engaged in the manufacture of power using "Coke Oven Flue Gases" & "Blast Furnace Gases" and sells it to Goa Electricity Department, Power Trading Corporation and Sesa Goa Limited. Sesa Goa Limited acquired the 100% equity stake in the company w.e.f. March 2, 2012 and has become the holding company of the Company.

### NOTE 1 (B) SIGNIFICANT ACCOUNTING POLICIES

#### i. Basis of Accounting

The financial statements have been prepared on accrual basis under the historical cost convention to comply in all material respects with the generally accepted accounting principles in India, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

#### ii. Use of Estimates

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

#### iii. Revenue Recognition

Revenue is recognised on transfer of significant risks and rewards in respect of ownership. Revenue from power supply is accounted on the basis of billing to customers and includes unbilled revenue accrued up to the end of the financial year.

Interest: Revenue is recognised on a time proportionate basis taking into account the amount outstanding and the rate applicable.

#### iv. Employee Benefits

##### Short Term Employee Benefits

Short term employee benefits are recognised in the period during which the services have been rendered.

##### Long Term Employee Benefits

##### a. Provident Fund and Employees' State Insurance Schemes

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a "Defined Contribution Plan". Both the employees and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of

India. In addition, some employees of the Company are covered under the employees' state insurance schemes, which are also "Defined Contribution Schemes" recognised and administered by the Government of India.

The Company's contributions to both these schemes are expensed. The Company has no further obligations under these plans beyond its monthly contributions.

##### b. Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company makes provision for the Gratuity Plan based on actuarial valuations in accordance with Accounting Standard 15 (revised), "Employee Benefits". The present value of obligation under gratuity is determined based on actuarial valuation using Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

##### c. Other long term benefits

##### Leave Encashment

The Company provides for the liability at period end on account of unavailed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

Actuarial gains and losses are recognised as and when it arises.

#### v. Inventories

Inventories of stores and spare parts and loose tools are valued at cost determined on the basis of weighted average method or net realisable value, whichever, is lower.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

#### vi. Foreign Currency Transactions

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. All monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rate. All non-monetary assets and liabilities are stated at the rates prevailing on the date of the transaction. Exchange difference arising on restatement or settlement is charged to the Statement of Profit and Loss.

#### vii. Fixed Assets

Fixed Assets stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost includes taxes, duties (net of Modvat/Cenvat availed, if any), freight

## Notes to financial statements for the year ended on March 31, 2013

and borrowing cost up to the date of commissioning for operations and other incidental expenses incurred for bringing the assets to the working condition required for their intended use.

### viii. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of assets requiring a substantial period of time are capitalised. All other borrowing costs including exchange differences on foreign currency loans to the extent regarded as an adjustment to the interest costs are charged to Statement of Profit and Loss and included under "Finance costs".

### ix. Depreciation and Amortisation

Depreciation on fixed assets is provided on straight line method in accordance with the rates specified in Schedule XIV of the Companies Act, 1956, on a pro - rata basis. The rates specified in Schedule XIV of the Act are representative of useful lives of fixed assets except in case of vehicles, furniture and computers. Depreciation has been charged on straight line method at annual rate of 20%, 10% and 30% respectively in line with the useful life of the asset.

In respect of Leasehold Land, depreciation is provided over the balance period of lease. Assets individually costing less than ₹ 5,000 are fully depreciated in the year of purchase.

### x. Impairment of Assets

The carrying amounts of fixed assets are reviewed for impairment, if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable at each balance sheet date. 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.

### xi. Provisions, Contingent Liabilities and Contingent Assets

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

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

### xii. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding (including shares applied but allotted yet to be made) during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

### xiii. 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 substantially enacted.

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

Deferred tax assets, when there is unabsorbed depreciation/ brought forward loss are recognised to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Other deferred tax assets are recognised and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

## Notes to financial statements for the year ended on March 31, 2013

### NOTE 2 SHARE CAPITAL

Particulars	₹	
	As at March 31, 2013	As at March 31, 2012
<b>Authorised Share Capital</b>		
10,000 (Previous year 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
3,50,00,000 (Previous year 3,50,00,000) Redeemable Preference Shares of ₹ 10/- each	350,000,000	350,000,000
<b>Issued, subscribed and fully paid-up shares</b>		
10,000 (Previous year 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
40,000 (Previous Year Nil) 0% Redemable Preference Shares of ₹ 10/- each	400,000	-
<b>Total</b>	<b>500,000</b>	<b>100,000</b>

#### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	₹	Number of Shares	₹
<b>Equity Shares of ₹ 10 each fully paid</b>				
At the beginning of the period	10,000	100,000	10,000	100,000
Issued during the period	-	-	-	-
Bought back and cancelled during the period	-	-	-	-
Shares outstanding at the end of the period	10,000	100,000	10,000	100,000
<b>0% Redemable Preference Shares of ₹ 10 each fully paid</b>				
At the beginning of the period	-	-	-	-
Issued during the period	40,000	400,000	-	-
Bought back and cancelled during the period	-	-	-	-
Shares outstanding at the end of the period	40,000	400,000	-	-

#### b. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	₹	Number of Shares	₹
Equity Shares of ₹ 10 each fully paid	10,000	100,000	10,000	100,000
Sesa Goa Limited	10,000	100,000	10,000	100,000
	-	-	-	-
0% Redemable Preference Shares of ₹ 10 each fully paid				
Sesa Goa Limited	40,000	400,000	-	-
	40,000	400,000	-	-

#### c. Details of Shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Equity Shares of ₹ 10 each fully paid				
Sesa Goa Limited	10,000	100	10,000	100
0% Redemable Preference Shares of ₹ 10 each fully paid				
Sesa Goa Limited	40,000	100	-	-

## Notes to financial statements for the year ended on March 31, 2013

### NOTE 3 RESERVES AND SURPLUS

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	(81,886,204)	(50,844,429)
Add: Profit for the year	64,602,712	(31,041,775)
<b>Total</b>	<b>(17,283,492)</b>	<b>(81,886,204)</b>

### NOTE 4 SHARE APPLICATION MONEY PENDING ALLOTTMENT

Particulars	As at March 31, 2013	As at March 31, 2012
Share Application Money Pending Allotment 3,29,60,000 Nos.(Previous Year 3,30,00,000) of 0% Redemable Preference Shares of ₹10/- each at par will be issued against this money within one year and this will be within authorised share capital.)	329,600,000	330,000,000
<b>Total</b>	<b>329,600,000</b>	<b>330,000,000</b>

### NOTE 5 LONG TERM BORROWINGS

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Unsecured Loans</b>		
Loan from Fellow subsidiary (The loan is for a period of 18 months which can be renewed on mutual consent from both the parties. The interest on the loan is 10% P.A.)	-	462,000,000
<b>Total</b>	<b>-</b>	<b>462,000,000</b>

### NOTE 6 DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred Tax Liabilities:		
on temporary timing differences		
- in respect of depreciation allowance	59,511,667	49,826,667
<b>Deferred Tax Liability (Net)</b>	<b>59,511,667</b>	<b>49,826,667</b>

### NOTE 7 LONG TERM PROVISIONS

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits		
Gratuity	922,159	617,001
Leave Encashment	737,410	530,356
<b>Total</b>	<b>1,659,569</b>	<b>1,147,357</b>

### NOTE 8 SHORT TERM BORROWINGS

Particulars	As at March 31, 2013	As at March 31, 2012
Loans And Advances		
Current maturities of Long Term Loans from Fellow subsidiary (The loan is due in Sep'13, which can be renewed on mutual consent from both the parties. The interest on the loan is 10% P.A.)	386,200,000	-
Advance from Holding Company (The advance is repayable on demand and does not carry any interest)	-	33,736,481
<b>Total</b>	<b>386,200,000</b>	<b>33,736,481</b>

## Notes to financial statements for the year ended on March 31, 2013

### NOTE 9 TRADE PAYABLES

Particulars	₹	
	As at March 31, 2013	As at March 31, 2012
Trade Payables		
Due to micro and small enterprises	-	-
Due to Others	6,119,193	86,961,981
<b>Total</b>	<b>6,119,193</b>	<b>86,961,981</b>

Note: There are no amounts payable to micro and small enterprises in terms of section 16 of Micro, Small and Medium Enterprise Development Act, 2006, based on the information available. 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 10 OTHER CURRENT LIABILITIES

Particulars	₹	
	As at March 31, 2013	As at March 31, 2012
Interest accrued but not due on borrowings	1,046,365	662,460
Other Liabilities	3,043,233	613,812
<b>Total</b>	<b>4,089,598</b>	<b>1,276,272</b>

### NOTE 11 SHORT TERM PROVISIONS

Particulars	₹	
	As at March 31, 2013	As at March 31, 2012
Provision for Employee Benefits		
Leave Encashment	71,981	51,725
Provision for Income Tax (net of advance)		461,503
<b>Total</b>	<b>71,981</b>	<b>513,228</b>

## Notes to financial statements for the year ended on March 31, 2013

## NOTE 12 FIXED ASSETS

	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2012	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2013	As at April 1, 2012	Depreciation charge	Impairment	Deductions / Adjustments	As at March 31, 2013	As at March 31, 2012
<b>Tangible Assets</b>										
Land and Land Development	4,605,834	-	-	4,605,834	-	-	-	-	4,605,834	4,605,834
Leasehold Land	3,897,724	-	-	3,897,724	1,387,518	212,346	-	-	2,297,860	2,510,206
Plant Building	92,352,398	-	-	92,352,398	14,786,326	3,053,924	-	-	74,512,148	77,566,072
Plant Building - Borewell	421,834	-	-	421,834	32,931	6,870	-	-	382,033	388,903
Plant & Equipment	95,519,885	244,801	-	95,544,486	239,211,826	50,418,194	-	-	665,814,665	715,988,059
Computers	821,391	-	-	821,391	696,018	101,660	-	-	23,713	125,373
Office Equipments	1,092,692	47,600	-	1,140,292	304,622	49,361	-	-	786,309	788,070
Furniture & Fixture	895,815	-	-	895,815	334,234	80,996	-	-	480,586	561,581
Vehicles	1,292,893	-	-	1,292,893	535,881	258,581	-	-	498,431	757,012
Temporary Site Office at Goa	163,329	-	-	163,329	163,329	-	-	-	-	-
<b>Total</b>	<b>1,060,743,795</b>	<b>292,401</b>	<b>-</b>	<b>1,061,036,196</b>	<b>257,452,685</b>	<b>54,181,931</b>	<b>-</b>	<b>-</b>	<b>749,401,580</b>	<b>803,291,110</b>
Previous Year	1,060,743,795	-	-	1,060,743,795	203,347,127	54,105,558	-	-	803,291,110	857,396,668
<b>Intangible Assets</b>										
Computer software	1,857,981	-	-	1,857,981	1,857,981	-	-	-	-	-
<b>Total</b>	<b>1,857,981</b>	<b>-</b>	<b>-</b>	<b>1,857,981</b>	<b>1,857,981</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Previous Year	1,857,981	-	-	1,857,981	1,033,511	371,596	452,874	-	-	824,470
Capital Work In Progress										
<b>Total</b>									<b>289,338</b>	<b>-</b>
									<b>749,690,918</b>	<b>803,291,110</b>

## Notes to financial statements for the year ended on March 31, 2013

### NOTE 13 LONG TERM LOANS AND ADVANCES

Particulars	As at March 31, 2013	As at March 31, 2012
Advance tax (Net of provision)	325,959	-
<b>Total</b>	<b>325,959</b>	<b>-</b>

### NOTE 14 INVENTORIES

Particulars	As at March 31, 2013	As at March 31, 2012
Stock of Consumables (At Weighted Average Cost or Net Realisable Value, whichever is lower)	3,364,159	878,971
<b>Total</b>	<b>3,364,159</b>	<b>878,971</b>

### NOTE 15 TRADE RECEIVABLES

Particulars	As at March 31, 2013	As at March 31, 2012
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured and considered good	12,252,228	26,372,992
<b>Total</b>	<b>12,252,228</b>	<b>26,372,992</b>

### NOTE 16 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2013	As at March 31, 2012
Cash and Cash Equivalents		
Balances with banks		-
In current account	2,875,391	52,183,221
Cash on hand	11,996	8,239
<b>Total</b>	<b>2,887,387</b>	<b>52,191,460</b>

### NOTE 17 SHORT TERM LOANS AND ADVANCES

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured and considered good	1,065,170	932,909
Prepaid expenses	826,677	-
Loans and advances to employees	47,680	-
Short term other deposits	8,338	8,338
<b>Total</b>	<b>1,947,865</b>	<b>941,247</b>

### NOTE 18 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Sale of products		
Sale of Power	297,256,933	278,896,214
Conversion charges	1,200,000	1,200,000
<b>Total</b>	<b>298,456,933</b>	<b>280,096,214</b>



## Notes to financial statements for the year ended on March 31, 2013

### NOTE 19 OTHER INCOME

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Other non-operational income	581,841	1,933,822
Interest on Debtors	-	966,168
<b>Total</b>	<b>581,841</b>	<b>2,899,990</b>

### NOTE 20 MANUFACTURING AND OPERATING COSTS

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Fuel Expenses	49,670,000	48,439,372
Consumption of stores and spare parts	22,194,467	4,600,483
Machinery Repairs	17,795,084	1,624,439
Building Repairs	850	2,850
Payment to contractors for services	-	378,638
Insurance	1,187,396	6,510,470
Electricity and water charges	1,390,364	1,126,350
<b>Total</b>	<b>92,238,161</b>	<b>62,682,602</b>

### NOTE 21 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries and incentives	11,816,365	13,615,975
Contributions to provident and other funds	955,492	696,010
Staff welfare expenses	867,501	1,559,901
<b>Total</b>	<b>13,639,358</b>	<b>15,871,886</b>

### NOTE 22 FINANCE COST

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Expense		
On Borrowings from Banks	-	3,186,705
On Term Loan	-	54,861,475
On Others	41,111,447	54,841,728
Bank charges	4,189	131,829
Rebate on sale of electricity	695,616	743,574
<b>Total</b>	<b>41,811,252</b>	<b>113,765,311</b>

## Notes to financial statements for the year ended on March 31, 2013

### NOTE 23 OTHER EXPENSES

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>Administration Expenses</b>		
Maintenance of offices and equipment	2,253,979	2,605,883
Printing and stationery	106,577	119,121
Postage, telephone, cables and telex Charges	105,444	195,875
Payment to Statutory Auditors		-
i. As Auditors (including service tax)	112,360	112,360
ii. As Tax Auditors (including service tax)	-	-
iii. For other services	28,090	-
iv. For reimbursement of expenses	52,479	-
Travelling and Representation Expenses	146,209	191,337
Professional and legal charges	456,485	8,203,501
Maintenance of vehicles	609,266	599,452
Impairment Loss on Intangible Assets	-	452,874
<b>Total</b>	<b>3,870,889</b>	<b>12,480,403</b>

### NOTE 24 EMPLOYEES BENEFITS:

#### Disclosure:

#### (a) Defined Contribution Plans:

Contribution to the Defined Contribution Plan recognised as an expense and shown under the head "Employee Benefit Expenses" in the Profit and Loss account for the period are as under:

Particulars	2012-13	2011-12
Employers' contribution to Provident Fund	628,692	696,010
Employers' contribution to Employees State Insurance	220,232	206,100

#### (b) Defined Benefit Plans:

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

#### Actuarial Assumptions for Leave Encashment

Particulars	Leave Encashment	
	March 31, 2013	March 31, 2012
Discount rate (per annum)	8%	8%
Rate of increase in Compensation Levels	7.5%	7.5%
Rate of Return on Plan Assets	-	-
Average remaining working life of employees (Years)	27	27

#### Actuarial Assumptions for Gratuity

Particulars	Gratuity	
	March 31, 2013	March 31, 2012
Discount rate (per annum)	8%	8%
Rate of increase in Compensation Levels	7%	5%
Rate of Return on Plan Assets	-	-
Average remaining working life of employees (Years)	27	27

## Notes to financial statements for the year ended on March 31, 2013

Table showing changes in present value of obligations:

Particulars	Gratuity	
	March 31, 2013	March 31, 2012
Present value of obligation as at the beginning of the year	617,001	1,280,960
Interest Cost	Nil	Nil
Current Service Cost	164,323	136,113
Benefits Paid	21,641	969,231
Actuarial Adjustment	Nil	Nil
Actuarial (gain)/ loss on obligations	162,476	169,159
Present value of obligation as at the end of the year	922,159	617,001

Table showing changes in the fair value of plan assets:

Particulars	Gratuity	
	March 31, 2013	March 31, 2012
Fair Value of Plan Assets at beginning of the year	-	-
Acquisition adjustments	-	-
Expected return of plan assets	-	-
Employer Contribution	-	-
Benefits paid	-	-
Actuarial (gain)/ loss on obligations	-	-
Fair Value of Plan Assets at year end	-	-

Actuarial Gain / Loss recognised:

Particulars	Gratuity	
	March 31, 2013	March 31, 2012
Actuarial Gain / (Loss) for the year – obligations	(162,476)	(169,159)
Actuarial Gain / (Loss) for the year – Plan Assets	Nil	Nil
Total Gain / (Loss) for the year	(162,476)	(169,159)
Actuarial Gain / (Loss) recognised during the year	(162,476)	(169,159)

Amounts to be recognised in Balance Sheet:

Particulars	Gratuity	
	March 31, 2013	March 31, 2012
Present Value of obligations at the end of the year	922,159	617,001
Fair Value of Plan Assets at the end of the year	Nil	Nil
Un - Funded Liability	922,159	617,001
Unrecognised Actuarial (Gain) / Loss	Nil	Nil
Net Asset / (Liability) recognised in Balance Sheet	(922,159)	(617,001)

## Notes to financial statements for the year ended on March 31, 2013

Expenses recognised in statement of Personnel Expenses:

Particulars	Gratuity	
	March 31, 2013	March 31, 2012
Current Service Cost	164,323	136,113
Past Service Cost	Nil	Nil
Interest Cost	Nil	Nil
Expected Return on Plan Assets	Nil	Nil
Curtailment and settlement cost / (credit)	Nil	Nil
Net Actuarial (Gain) / Loss recognised in the year	162,476	169,159
(Income) / Expenses recognised in the statement of Personnel Expenses	326,799	305,272

The above information is certified by Actuary. Data for Experience Adjustment and estimate for next year has not been received from actuary.

### NOTE 25 EARNINGS PER SHARE

Particulars	March 31, 2013	March 31, 2012
Net Profit / (Loss) attributable to Equity Shareholders	64,602,714	(31,041,775)
Weighted average number of Equity Shares outstanding during the year	10,000	10,000
Nominal Value of Equity Share	10.00	10.00
Basic and Diluted Earnings Per Share	6,460	(3,104)

**NOTE 26** In the opinion of the Board, the value on realisation of Current Assets, Loans and Advances in the ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

### NOTE 27 REMUNERATION TO DIRECTORS

Remuneration to Directors including Managing Director ₹ Nil (Previous year ₹ 2,113,281)

### NOTE 28 VALUE OF COMPONENTS, STORES AND SPARES CONSUMED

Particulars	March 31, 2013		March 31, 2012	
	%	₹	%	₹
Stores and Spares				
Imported	-	-	-	-
Indigenously obtained	100%	22,194,467	100%	4,600,483
	100%	22,194,467	100%	4,600,483

**NOTE 29** During the year company has not entered into any contract for foreign exchange hedging. There is no open exposure as on March 31, 2013.

### NOTE 30 SEGMENT INFORMATION

The Company is primarily engaged in the business of Power Generation and sells power within India. Thus the company has only one business segment and is considered operating in a single geographical segment. There is no other reportable segment as defined in Accounting Standard 17 "Segment Reporting" as prescribed by Companies (Accounting Standards) Rules, 2006.

## Notes to financial statements for the year ended on March 31, 2013

### NOTE 31 RELATED PARTY DISCLOSURES

As required under Accounting Standard 18 on “Related Party Disclosure”, the disclosure of transaction with related parties as defined in the Accounting Standard are given below:

#### a) List of Related Parties:

- i) Holding Company  
Sesa Goa Limited
- ii) Fellow Subsidiary Company with whom transactions are there during the period:  
Sesa Resources Limited

#### b) Transactions / outstanding balances with Related Parties:

The Company has entered into transactions with certain related parties as listed below. The Board considers such transactions to be in normal course of business:

Nature of Transaction	Key Management Personnel	Holding Company	Fellow Subsidiary Company
Remuneration	-	-	-
	(2,113,281)		
Sale of Power (net of Grid Imports)	-	152,714,462 (4,574,341)	-
Purchase of Gases	-	49,670,000 (3,972,951)	-
Conversion Charges	-	1,200,000 (96,774)	-
Inter Corporate Advance received during the year	-	-	-
		(33,736,481)	
Inter Corporate Advance paid during the year	-	33,736,481 (-)	-
Inter Corporate Advance balance outstanding at the year end	-	-	-
		(33,736,481)	
Unsecured Loan received during the year	-	-	-
			(462,000,000)
Unsecured Loan paid during the year	-	-	75,800,000 (-)
Unsecured Loan balance outstanding at the year end	-	-	386,200,000 (462,000,000)
Interest on Unsecured Loan	-	-	41,111,447 (662,460)

Note: Previous year figures are in bracket.

## Notes to financial statements for the year ended on March 31, 2013

### NOTE 32 CONTINGENT LIABILITY

- a) Disputed claim by ex-consultant Mr. G.D.Agarwal for an amount of ₹ 3.6 lakhs along with interest for the remuneration in lieu of 3 months' notice period and leave encashment.

### NOTE 33 CHANGE IN ACCOUNTING ESTIMATE- USEFUL LIFE OF ASSETS

Company has aligned useful life of the assets in line with holding coming which is an accounting estimate change. Due to this change additional depreciation in current year is ₹ 1, 60,047, as useful life of assets have been reduced for vehicles, furniture and computers.

### NOTE 34 CHANGE IN BASIS OF DETERMINING COST FOR VALUATION OF INVENTORIES

Company has changed the basis of determining cost for valuation of inventories of stores and spares, parts and loose tools from First in First Out (FIFO) Method to Weighted average method. Impact due to this change is not material.

### NOTE 35 PRIOR PERIOD COMPARATIVES

Prior year figures have been reclassified / regrouped wherever necessary to conform to the current period's classification.

As per our report of even date

For **PKF Sridhar & Santhanam**

Firm Registration No. 003990S  
Chartered Accountants

Partner: **V. Kothandaraman**

Membership No. : 25973

Place: Ramagundam

Date: April 23, 2013

For and on behalf of the Board of Directors

**Amit Pradhan**

Director

**S. L. Bajaj**

Director

**Anna Mathew**

Company Secretary

Place: Panaji - Goa

Date: April 23, 2013