

# Deloitte Haskins & Sells

Chartered Accountants  
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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SESA MINING CORPORATION LIMITED

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of **SESA MINING CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan



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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 auditor's judgment, 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 financial control relevant to the Company's preparation of the 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

## 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, of the state of affairs of the Company as at March 31, 2015, and its profit/loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

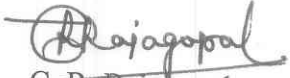


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- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (e) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No. 008072S)



  
C. R. Rajagopal  
(Partner)  
(Membership No. 23418)

Place: Coimbatore

Date: 27<sup>th</sup> April, 2015

# Deloitte Haskins & Sells

## 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 the fixed assets.
  - (b) The fixed assets of the Company are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and physical inventory have been noticed other than in some cases where the Company has appropriately dealt with the same in the books of accounts.
- (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 not granted any loans, secured or unsecured companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013
- (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 accepted any deposit from the public during the year.



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(vi) 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 148(1) of the Companies Act, 2013 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.

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Wealth Tax, Service Tax, Custom Duty, Value added tax, Cess and other material statutory dues applicable to it with the appropriate authorities. We have been informed that no sums were payable in respect of Investor Education and Protection Fund, Sales Tax and Excise Duty.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Wealth Tax, Service Tax, Custom Duty, Value added tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(c) There were no disputed dues of Income-tax, Wealth Tax, Service Tax, Custom Duty, Value added tax and Cess which have not been deposited as on March 31, 2015 except the following:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in crore)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeal) Panaji (Goa)	AY 2011-12	7.86
Income Tax Act, 1961	Income Tax	The entity is in the process of preferring an appeal against the order of the Deputy Commissioner of Income Tax - Panaji	AY 2012-13	5.43

(d) There were no amounts that were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.

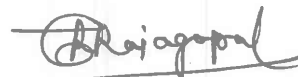


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- (viii) The Company does not have any accumulated losses. However, the Company has incurred cash losses only for the financial year under audit and the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loans from financial institutions or borrowed any sums against issue of debentures.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xi) According to the information and explanations given to us, the Company has not taken any term loans during the year.
- (xii) 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's Registration No. 008072S)





C. R. Rajagopal  
(Partner)

(Membership No. 23418)

Place: *Coinbatoru*

Date: 27<sup>th</sup> April, 2015

**SESA MINING CORPORATION LIMITED**  
Balance Sheet as at March 31, 2015

Particulars	Note	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	11.50	11.50
Reserves and surplus	4	5.28	66.46
		<u>16.78</u>	<u>77.96</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	5	-	-
Long-term provisions	6	0.90	0.90
		<u>0.90</u>	<u>0.90</u>
<b>Current liabilities</b>			
Short term borrowing	7	218.28	171.63
Trade payables	8	15.59	16.09
Other current liabilities	9	25.56	9.30
Short-term provisions	10	4.95	3.69
		<u>264.38</u>	<u>200.71</u>
		<u>282.06</u>	<u>279.57</u>
<b>Total</b>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	11	139.66	149.59
Intangible assets	11	25.68	28.07
Capital work-in-progress		15.00	13.41
Non-current investments	12	0.00	0.00
Long-term loans and advances	13	10.70	11.47
		<u>191.04</u>	<u>202.54</u>
<b>Current assets</b>			
Inventories	14	1.75	70.44
Trade receivables	15	0.03	0.16
Cash and cash equivalents	16	0.27	0.38
Short-term loans and advances	17	88.97	6.05
		<u>91.02</u>	<u>77.03</u>
		<u>282.06</u>	<u>279.57</u>

See accompanying notes forming part of the financial statements

1 - 38

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

*C. R. Rajagopal*  
C. R. Rajagopal  
Partner



Place: *Coimbatore*  
Date: 27th April, 2015

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

*Pramod Unde*  
Pramod Unde  
Whole-time Director & CEO

*Neelesh Talathi*  
Neelesh Talathi  
Director & CFO

*Mahesh Devjani*  
Mahesh Devjani  
Company Secretary

Place: Panaji - Goa  
Date: 27th April, 2015



**SESA MINING CORPORATION LIMITED**  
Statement of Profit and Loss for the year ended March 31, 2015

Particulars	Note	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
<b>Income</b>			
Revenue from operations	18	5.05	1.74
Other income	19	0.23	0.10
		<u>5.28</u>	<u>1.84</u>
<b>Total</b>			
<b>Expenses</b>			
Changes in inventories of finished goods	20	-	0.10
Employee benefits expense	21	26.70	21.84
Finance costs	22	14.80	0.43
Depreciation and amortisation expense	11	12.03	11.35
Other expenses	23	12.90	19.12
		<u>66.43</u>	<u>52.84</u>
<b>Total</b>			
		<u>(61.15)</u>	<u>(51.00)</u>
<b>Profit/(Loss) before exceptional item and tax</b>			
Exceptional item	37	-	21.51
		<u>(61.15)</u>	<u>(72.51)</u>
<b>Loss before tax</b>			
Less : Tax expense		0.01	1.43
Deferred tax		0.01	1.43
		<u>(61.16)</u>	<u>(73.94)</u>
<b>Loss for the year</b>			
Earnings per equity share of Rs. 100 each Basic and diluted	34	(531.83)	(642.96)
See accompanying notes forming part of the financial statements	1 - 38		

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

  
**C. B. Rajagopal**  
Partner



Place: Coimbatore  
Date: 27th April, 2015

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

  
**Pramod Unde**  
Whole-time Director & CEO

  
**Neelesh Talathi**  
Director & CFO

  
**Mahesh Devjani**  
Company Secretary

Place: Panaji - Goa  
Date: 27th April, 2015





SESA MINING CORPORATION LIMITED

Cash Flow Statement for the year ended March 31, 2015

Particulars	March 31, 2015	March 31, 2014
	Rs. in crore	Rs. in crore
<b>A. Cash flow from operating activities</b>	(61.15)	(72.51)
Loss before tax		
Adjustments for:	12.03	11.35
Depreciation and amortisation expense	14.80	0.39
Finance costs		(0.06)
Dividend income	(0.22)	(0.03)
Profit on sale of fixed assets (net)	(0.01)	-
Profit on sale of current investments (net)		
<b>Operating profit/(loss) before working capital changes</b>	<b>(34.55)</b>	<b>(60.86)</b>
<i>Changes in working capital:</i>		
Adjustments for (increase) / decrease in operating assets:	2.52	1.38
Inventories	0.13	(0.04)
Trade receivables	(16.75)	5.19
Short-term loans and advances	0.44	0.45
Long-term loans and advances		
Adjustments for increase / (decrease) in operating liabilities:	(0.50)	(10.89)
Trade payables	3.41	(78.06)
Other current liabilities	1.26	(0.50)
Short-term provisions	(0.00)	(0.06)
Long-term provisions	(9.49)	(82.53)
Cash generated from operations	(44.04)	(143.39)
Income taxes paid	(0.11)	(0.02)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(44.15)</b>	<b>(143.41)</b>
<b>B. Cash flow from investing activities</b>	(1.53)	(39.25)
Capital expenditure on fixed assets, including capital advances	0.40	0.10
Proceeds from sale of fixed assets	-	0.21
Movement in restricted deposits (Margin money)	(3.31)	(0.66)
Purchase of current investment	3.33	12.02
Redemption of current investments	-	0.06
Dividend received		
<b>Net cash flow (used in) / from investing activities (B)</b>	<b>(1.11)</b>	<b>(27.52)</b>
<b>C. Cash flow from financing activities (C)</b>	46.65	171.63
Proceeds from short term borrowing	(1.50)	(0.39)
Finance cost		
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>45.15</b>	<b>171.24</b>
<b>Net (decrease) / increase in Cash and cash equivalents (A+B+C)</b>	<b>(0.11)</b>	<b>0.31</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>0.38</b>	<b>0.07</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>0.27</b>	<b>0.38</b>
Cash on hand		0.00
Balances with banks	0.27	0.38
On current account		
	<b>0.27</b>	<b>0.38</b>

Footnotes:

1 Inventories of Iron Ore aggregating Rs. 66.17 crore reclassified to loans and advances have not been considered in the cash flow statement, being a non-cash transaction (Refer note 32)

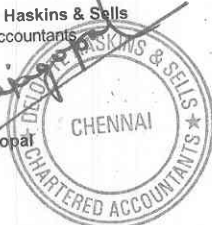
2 Figures in brackets represent outflows

3 See accompanying notes forming part of the financial statements (1 - 38)

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

C. R. Rajagopal  
Partner



For and on behalf of the Board of Directors

Ramod Unde  
Whole-time Director & CEO

Neelesh Talathi  
Director & CFO

Maheesh Devjani  
Company Secretary

Place: Coimbatore  
Date: 27th April, 2015

Place: Panaji - Goa  
Date: 27th April, 2015



## SESA MINING CORPORATION LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2015

### 1 Company information

Sesa Mining Corporation Limited (the "Company") is engaged in the business of mining and sale of iron ore. The Company's mining operations are all situated in Goa.

### 2 Significant accounting policies

#### (a) Basis of preparation

The financial statements of the Company have been prepared on an accrual basis under historical cost convention and in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### (b) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions 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. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

#### (c) Inventories

Inventories are valued at lower of cost (on weighted average basis) and the 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 include apportionment of fixed and variable overheads. Net realisable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.

#### (d) Cash flow statement

Cash flows are reported using indirect method as set out in Accounting Standard (AS) -3 "Cash Flow Statement", 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.

#### (e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), liquid investments that are readily convertible into cash and which are subject to insignificant risk of changes in value.

#### (f) Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013 and Managements assessment of the technical evaluation / advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc.

Individual items of assets costing upto Rs. 5,000 are fully depreciated in the year of acquisition.



## SESA MINING CORPORATION LIMITED

### Notes forming part of the financial statements as at and for the year ended March 31, 2015

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 / thirty six months, as the case may be.

Amounts paid as stamp duties and other statutory levies for renewal of owned mining leases are amortised over the operating period of lease.

The estimated useful lives of the tangible and intangible assets and the depreciation / amortisation period are reviewed at the end of each financial year and the depreciation / amortisation period is revised to reflect the changed pattern, if any.

#### (g) Revenue recognition

##### Sale of goods:

Revenue is recognized 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 and it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, scrap and are net of sales tax/value added tax and rebates and discounts.

##### Income from services:

Revenue in respect of contracts for services is recognised when the services are rendered and related costs are incurred.

##### 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.

#### (h) Tangible fixed assets

Fixed assets are carried at historical cost (net of MODVAT / CENVAT / VAT) less accumulated depreciation / amortisation and impairment losses, if any. Costs include non refundable taxes and duties; borrowing costs and other expenses incidental to the acquisition and installation upto the date the asset is ready for intended use.

The Company's mining leases having ore reserves are not valued, however, amounts in the nature of stamp duties and other statutory levies paid to government authorities towards renewal of owned mining leases are capitalized as a part of mining rights.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately under "Other current asset".

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.

##### Expenditure during construction period:

All costs attributable to the construction of project or incurred in relation to the project under construction, net of income, during the construction period, are aggregated under expenditure during construction period to be allocated to individual identified assets on completion.

#### (i) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of intangible assets comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.



## SESA MINING CORPORATION LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2015

### (j) 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 transaction. Monetary items outstanding at the reporting date are restated at the year end rates. In case of monetary items which are hedged by derivative instruments, the valuation is done in accordance with accounting policy on derivative instruments. Non-monetary items are carried at historical cost. Exchange differences arising on restatement or settlement of monetary items are charged to the Statement of Profit and Loss.

### (k) 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.

### (l) 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 plan:

###### Superannuation 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 plan:

###### Gratuity Fund:

The Company accounts for the net actuarial liability of its obligations for gratuity benefits based on an independent actuarial valuation determined on the basis of the projected unit credit method carried 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.

###### Provident fund:

The Company's contribution to the provident fund paid / payable during the year is debited to the Statement of Profit and Loss when services are rendered by the employees. Contributions are made to the Company's Employees Provident Fund Trust in accordance with the Trust rules. The shortfall in provident fund, if any, between the return guaranteed by the statute and actual earnings of the Trust is provided for by the Company and contributed to the Trust. The net actuarial liability of the Company's obligation for interest rate guarantee has been determined at the year end based on an independent actuarial valuation and the shortfall, if any, 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.

### (m) 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 the interest cost. Borrowing cost attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the date when such assets are ready for their intended use. Other borrowing costs are charged as expense in the year in which they are incurred. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during the extended periods when active development on the qualifying assets is interrupted.



## SESA MINING CORPORATION LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2015

### (n) Segment reporting

The Company primarily operates in the business segment of mining and sale of iron ore. As per the management's perspective, the risks and returns from its sales do not materially vary geographically. Accordingly, there are no other reportable segments as required to be reported under Accounting Standard 17-Segment Reporting.

### (o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss after tax (including the post tax effect of extraordinary items, if any) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss after tax (including the post tax effect of extraordinary items, if any) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

### (p) Taxes on income

Tax expenses for the year, comprising of current and deferred tax are included in the determination of net profit or loss of the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the prevailing tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset, if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

### (q) Impairment of assets

The carrying amount of assets/ cash generating units is reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying amount of assets exceeds its recoverable value. The recoverable amount is greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value on an appropriate discounting factor. An impairment loss is recognised in the Statement of Profit and Loss where the carrying amount of an asset exceeds its recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

### (r) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events 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 required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.



SESA MINING CORPORATION LIMITED

Notes forming part of the financial statements as at and for the year ended March 31, 2015

3 Share capital

Particulars	March 31, 2015		March 31, 2014	
	Number of shares	Rs. in crore	Number of shares	Rs. in crore
<b>Authorised</b>				
Equity shares of Rs. 100/- each with voting rights	1,150,000	11.50	1,150,000	11.50
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of Rs. 100/- each with voting rights, fully paid up	1,150,000	11.50	1,150,000	11.50
<b>Total</b>	<b>1,150,000</b>	<b>11.50</b>	<b>1,150,000</b>	<b>11.50</b>

a There has been no movement in 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 Rs.100 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 will be in proportion to the number of equity shares held.

c Details of shareholders holding more than 5 % shares in the Company

Particulars	March 31, 2015		March 31, 2014	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Sesa Resources Limited (Holding Company)	1,150,000	100	1,150,000	100

4 Reserves and surplus

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
<b>Capital reserve</b>		
Balance as at the beginning and at the end of the year	0.66	0.66
<b>General reserve</b>		
Balance as at the beginning and at the end of the year	3.60	3.60
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	62.20	136.14
Less: Loss for the year	(61.16)	(73.94)
Less: Depreciation consequent to revision in useful lives on tangible fixed asset with nil remaining useful life (net of deferred tax) (Refer note 26)	(0.02)	-
Balance as at the end of the year	1.02	62.20
<b>Total</b>	<b>5.28</b>	<b>66.46</b>



**SESA MINING CORPORATION LIMITED**

Notes forming part of the financial statements as at and for the year ended March 31, 2015

**5 Deferred tax assets / (liabilities) (net)**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
<b>Deferred tax liabilities:</b>		
Depreciation allowance	14.37	16.41
	<b>14.37</b>	<b>16.41</b>
<b>Deferred tax assets:</b>		
Compensated absence	1.64	1.25
Unabsorbed depreciation / carry forward business loss (Refer footnote)	3.03	11.56
Others	9.70	3.60
	<b>14.37</b>	<b>16.41</b>
<b>Deferred tax assets / (liabilities) (net)</b>	-	-

The recognition of deferred tax assets on unabsorbed depreciation and carry forward business loss has been restricted to the extent of deferred tax liability on account of timing difference in respect of depreciation, the reversal of which is virtually certain. As at the year end, the Company also has additional deferred tax assets on carry forward business losses which have not been recognised.

**6 Long term provisions**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Provision - Others		
Provision for mine closure (Refer note 35)	0.90	0.90
<b>Total</b>	<b>0.90</b>	<b>0.90</b>



**SESA MINING CORPORATION LIMITED**

Notes forming part of the financial statements as at and for the year ended March 31, 2015

**7 Short term borrowings**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Unsecured:		
Loans and advances from related parties (Refer note 33)	218.28	171.63
<b>Total</b>	<b>218.28</b>	<b>171.63</b>

(a) The above loan is repayable on demand

(b) The loan carries an interest rate of 8.5% p.a.

(c) The Company has not defaulted in the repayment of the loan, however interest amounting to Rs. 13.30 crore was due and not paid as on Balance Sheet date which has been disclosed under other current liabilities as "Interest accrued and due on borrowings".

**8 Trade payables**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Other than acceptances		
Micro and small enterprises (Refer note 30)	0.08	0.17
Others	15.51	15.92
<b>Total</b>	<b>15.59</b>	<b>16.09</b>
Trade payable others includes:-		
Accrued expenses	9.88	8.79

**9 Other current liabilities**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Interest accrued and due on borrowings	13.30	-
Other payables		
Statutory liabilities including withholding taxes	2.00	0.28
Payables on account of fixed assets	2.16	2.61
Trade and security deposits received	1.05	0.28
Advances from customers	1.21	0.07
Gratuity	0.69	0.42
Other liabilities (Footnote)	5.15	5.64
<b>Total</b>	<b>25.56</b>	<b>9.30</b>
Footnote:		
Other liabilities include:		
Accrued payroll	4.88	5.48

**10 Short term provisions**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Provision for employee benefits		
Compensated absence	4.95	3.69
<b>Total</b>	<b>4.95</b>	<b>3.69</b>





11 Fixed assets

Particulars	Balance as at		Gross block		Depreciation / Amortisation		Net Block		
	Rs. in crore	April 01, 2014	Rs. in crore	Disposals	Rs. in crore	For the year	Rs. in crore	As at March 31, 2015	
<b>Tangible assets</b>									
Land	81.80 (81.80)	- (-)	0.01 (-)	81.79 (81.80)	0.18 (0.13)	0.06 (0.05)	0.01 (-)	81.56 (81.62)	81.62 (81.67)
Road and bunders	2.27 (2.27)	- (-)	- (-)	2.27 (2.27)	1.23 (1.20)	0.36 (0.03)	- (-)	0.68 (1.04)	1.04 (1.07)
Buildings	3.12 (3.12)	- (-)	0.15 (-)	2.97 (3.12)	1.38 (1.33)	0.04 (0.05)	0.15 (-)	1.70 (1.74)	1.74 (1.79)
Plant and equipment	121.81 (121.43)	0.29 (0.93)	4.20 (0.55)	117.90 (121.81)	58.61 (50.81)	8.87 (8.34)	4.10 (0.54)	54.52 (63.20)	63.20 (70.62)
Furniture and fixtures	0.52 (0.52)	- (-)	- (-)	0.52 (0.52)	0.27 (0.23)	0.03 (0.04)	- (-)	0.22 (0.25)	0.25 (0.29)
Vehicles	3.56 (3.81)	- (-)	0.01 (0.25)	3.55 (3.56)	2.37 (2.14)	0.14 (0.42)	(0.19) (0.19)	0.85 (1.19)	1.19 (1.67)
Office equipment	0.90 (0.86)	(0.37) (0.04)	0.03 (-)	0.50 (0.90)	0.35 (0.31)	0.14 (0.04)	0.15 (-)	0.13 (0.55)	0.55 (0.55)
<b>Total</b>	<b>213.98</b> (213.81)	<b>(0.08)</b> (0.97)	<b>4.40</b> (0.80)	<b>209.50</b> (213.98)	<b>64.39</b> (56.15)	<b>9.64</b> (8.97)	<b>4.22</b> (0.73)	<b>139.66</b> (149.59)	<b>149.59</b> (157.66)
<b>Intangible assets</b>									
Computer software	1.38 (1.38)	- (-)	- (-)	1.38 (1.38)	0.48 (0.10)	0.38 (0.38)	- (-)	0.52 (0.90)	0.90 (1.28)
Mining rights	40.00 (10.83)	- (29.17)	- (-)	40.00 (40.00)	12.83 (10.83)	2.01 (2.00)	- (-)	25.16 (27.17)	27.17 (-)
<b>Total</b>	<b>41.38</b> (12.21)	<b>-</b> (29.17)	<b>-</b> (-)	<b>41.38</b> (41.38)	<b>13.31</b> (10.93)	<b>2.39</b> (2.38)	<b>-</b> (-)	<b>25.68</b> (28.07)	<b>28.07</b> (1.28)
<b>Grand Total</b>	<b>255.36</b> (226.02)	<b>(0.08)</b> (30.14)	<b>4.40</b> (0.80)	<b>250.88</b> (255.36)	<b>77.70</b> (67.08)	<b>12.03</b> (11.35)	<b>4.22</b> (0.73)	<b>165.34</b> (177.66)	<b>177.66</b> (158.94)

Footnotes:

- Land plots include under perpetual lease Rs. 1.55 crore ( Previous year Rs. 1.55 crore )
- Figures in brackets relate to previous year.



**SESA MINING CORPORATION LIMITED**

Notes forming part of the financial statements as at and for the year ended March 31, 2015

**12 Non current investments**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
<b>Long term investments (at cost)</b>		
<b>Other investments</b>		
Investment in equity instruments (unquoted)		
In co-operative societies		
Dempo Mining Corporation Staff Consumers Co-Operative Society Ltd. 276 (Previous year 276) equity shares of Rs. 10 each fully paid-up [Rs. 2,760 (Previous year Rs. 2,760)]	0.00	0.00
Dempo Mining Corporation Employees Co-Operative Credit Society Ltd. 400 (Previous year 400) equity shares of Rs. 10 each fully paid-up [Rs. 4,000 (Previous year Rs. 4,000)]	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
Aggregate amount of unquoted investments [Rs. 6,760 (Previous year Rs. 6,760)]	0.00	0.00

**13 Long term loans and advances**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Unsecured, considered good		
Capital advances	4.07	4.50
Prepaid expenses	1.56	2.01
Advance income tax (net of provision for income tax)	5.07	4.96
<b>Total</b>	<b>10.70</b>	<b>11.47</b>



**SESA MINING CORPORATION LIMITED**

Notes forming part of the financial statements as at and for the year ended March 31, 2015

**14 Inventories**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
At lower of cost and net realisable value		
Finished goods Iron ore (Refer note 32)	-	66.17
Consumables, stores and spares	1.75	4.27
<b>Total</b>	<b>1.75</b>	<b>70.44</b>

**15 Trade receivables**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Other trade receivables Unsecured, considered good	0.03	0.16
<b>Total</b>	<b>0.03</b>	<b>0.16</b>



**SESA MINING CORPORATION LIMITED**

Notes forming part of the financial statements as at and for the year ended March 31, 2015

**16 Cash and cash equivalents**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Cash on hand	-	0.00
Balances with banks In current account	0.27	0.38
<b>Total</b>	<b>0.27</b>	<b>0.38</b>
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is	0.27	0.38

**17 Short term loans and advances**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Unsecured, considered good unless otherwise stated		
Loans and advances to employees	-	0.01
Prepaid expenses	1.31	1.59
Balances with government authorities		
VAT credit receivable	3.01	4.00
Others	18.34	-
Advance to suppliers	0.14	0.45
Claims and other receivables (Refer note 32)	66.17	-
<b>Total</b>	<b>88.97</b>	<b>6.05</b>



**SESA MINING CORPORATION LIMITED**

Notes forming part of the financial statements as at and for the year ended March 31, 2015

**18 Revenue from operations**

Particulars	March 31, 2015	March 31, 2014
	Rs. in crore	Rs. in crore
a <b>Sale of products</b>	-	-
b <b>Other operating revenue</b>		
Sale of materials	2.10	1.69
Credit balances written back	0.31	0.03
c <b>Sale of services</b>		
Hire of Jetties	2.64	-
Miscellaneous income	-	0.02
<b>Total</b>	<b>5.05</b>	<b>1.74</b>

**19 Other income**

Particulars	March 31, 2015	March 31, 2014
	Rs. in crore	Rs. in crore
Dividend on current investments	-	0.06
Profit on sale of current investments (net)	0.01	-
Profit on sale of fixed assets (net)	0.22	0.03
Net gain on foreign currency transactions and translations	-	0.01
<b>Total</b>	<b>0.23</b>	<b>0.10</b>



**SESA MINING CORPORATION LIMITED**

Notes forming part of the financial statements as at and for the year ended March 31, 2015

**20 Changes in inventories of finished goods**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Inventories at the beginning of the year		
Finished goods-Ore	66.17	66.27
Less : Inventory reclassified to receivable (Refer note 32)	(66.17)	
Inventories at the end of the year		
Finished goods-Ore	-	66.17
<b>Net (increase) / decrease</b>	-	0.10

**21 Employee benefits expense**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Salaries, wages and incentives	23.84	19.07
Contributions to provident and other funds	2.32	2.31
Staff welfare expenses	0.54	0.46
<b>Total</b>	26.70	21.84

**22 Finance costs**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Interest expense		
- On Loans	14.79	-
- On Others	-	0.39
Other borrowing costs	0.01	0.04
<b>Total</b>	14.80	0.43



**SESA MINING CORPORATION LIMITED**

Notes forming part of the financial statements as at and for the year ended March 31, 2015

**23 Other expenses**

Particulars	March 31, 2015	March 31, 2014
	Rs. in crore	Rs. in crore
Consumption of stores and spare parts	4.54	3.74
Repairs and maintenance		
Plant and equipment	0.08	0.01
Buildings	-	1.73
Others	0.45	0.56
Contractors for hired trucks and other services	3.17	6.72
Wharfage, tonnage, handling and shipping expenses	0.06	0.07
Rent	0.87	1.01
Rates and taxes	0.19	0.18
Insurance	0.76	0.86
Power and fuel	1.21	1.12
Water charges	0.04	0.09
Payments to auditors		
as auditors - statutory audit	0.08	0.07
for other services	0.06	0.06
Sitting fees and commission to non wholetime directors	0.01	-
Travelling expenses	0.05	0.13
Professional and legal charges	0.46	0.81
Donations and contributions	0.01	0.19
Corporate social responsibility	0.15	0.75
Miscellaneous expenses	0.71	1.02
<b>Total</b>	<b>12.90</b>	<b>19.12</b>



**SESA MINING CORPORATION LIMITED**

Notes forming part of the financial statements as at and for the year ended March 31, 2015

**24 Contingent liabilities:**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
i) Guarantees issued by the bankers in favour of various parties (excluding the liability for which provisions have been made)	1.80	4.60
ii) Corporate guarantee given by Holding Company to Custom Authorities	12.57	12.57
iii) Cess on transportation of ore within Goa levied by Government of Goa under the Goa Rural Development and Welfare Cess Act 2000 (Goa Act 29 of 2000)	19.57	20.65
iv) Disputed income tax demands	15.05	9.63

The above amounts are based on the demand notices or assessment orders or notifications by the relevant authorities, as the case may be, and the Company is contesting these claims with 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.

**25 Commitments**

Estimated amount of contracts remaining to be executed on capital account Rs. 13.18 crore (Previous year Rs. 7.59 crore).

26 During the year, with effect from April 1, 2014, the Company has revised the estimated useful lives of fixed assets in accordance with the Schedule II to the Companies Act, 2013 and based on Management's assessment of technical advice / evaluation. The details of previously applied depreciation rates / useful lives and the revised estimated useful lives are as follows:

Asset	Previous depreciation rate / useful life	Revised useful life
Bundars	1.63%/ ~58 Years	30 Years
Roads - Carpeted RCC	1.63%/ ~58 Years	10 Years
Factory buildings	3.34%/ ~28 Years	30 Years
Residential buildings	1.63%/ ~58 Years	60 Years
Office buildings	1.63%/ ~58 Years	60 Years
Plant & Machinery	4.75%/ ~20 Years	15 Years
Vehicles	20%/ ~5 Years	8 Years
Furniture & equipments	10%/ ~10 Years	10 Years
Office equipment	20%/ ~5 Years	5 Years
Computers and Data Processing Equipment	30%/ ~3 Years	3 Years
Plant & Machinery - earthmoving machinery	11.31%/ ~8 Years	8 Years
Servers & Networks	30%/ ~3 Years	6 Years

As a result of the revision in the estimated useful lives as referred above:

- The Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of Rs. 0.02 crore (net of deferred tax of Rs. 0.01 crore) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.
- The depreciation expense in the Statement of Profit and Loss for the year is higher by Rs.1.18 crore.

**27 Details of finished goods**

Particulars	Sales value Rs. in crore	Opening Inventory Rs. in crore	Closing Inventory Rs. in crore
Finished goods			
Iron ore	- (-)	66.17 (66.27)	- (66.17)

(Figures in brackets relate to previous year)





**SESA MINING CORPORATION LIMITED**

Notes forming part of the financial statements as at and for the year ended March 31, 2015

**28 Consumption of stores and spare parts**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Imported 3.52% (Previous year Nil)	0.16	-
Indigenous 96.48% (Previous year 100%)	4.38	3.74

**29 Expenditure incurred in foreign currency**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Consultancy fees	-	0.10

**30 Disclosures under section 22 of The Micro, Small and Medium Enterprises Development Act 2006**

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Principal amount remaining unpaid to suppliers as at the end of accounting year	0.08	0.17

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.

**31 Employee benefits obligations:**

**Defined benefit plans:**

The Company offers its employees defined benefit plans in the form of a gratuity schemes. Gratuity Scheme covers all employees as statutorily required under Payment of Gratuity Act 1972. The Company has constituted a trust organised by the Income tax authorities for gratuity of employees. The Company contributes funds to Life Insurance Corporation of India and Housing Development Finance Corporation Bank, which are irrevocable. Commitments are actuarially determined at the year end. The actuarial valuation is done based on the "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

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

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Fair value of plan assets	6.71	6.64
Present value of defined benefit commitment	(7.41)	(7.06)
(Liability)/Asset recognised in the Balance Sheet	(0.70)	(0.42)

<b>Defined benefit commitment</b>		
Balance at beginning of the year	7.06	7.22
Current service cost	0.56	0.41
Benefits paid	(0.89)	(1.03)
Interest cost	0.64	0.65
Actuarial (gains)/losses	0.04	(0.19)
Balance at end of the year	7.41	7.06
<b>Changes in fair value of plan assets</b>		
Balance at beginning of the year	6.64	3.43
Contribution received	0.42	3.79
Benefits paid	(0.89)	(1.03)
Return on plan assets	0.61	0.32
Actuarial gains/(losses)	(0.07)	0.13
Balance at end of the year	6.71	6.64



**SESA MINING CORPORATION LIMITED**

Notes forming part of the financial statements as at and for the year ended March 31, 2015

The Plan assets of the Company are managed by the Life Insurance Corporation of India and Housing Development Finance Corporation Bank and the details of the Investment relating to these assets is not available with the Company. Hence the composition of each major category of plan assets, the percentage or amount that each major category constitutes to the fair value of the total plan assets has not been disclosed.

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Expected return on plan assets	0.61	0.32
Actuarial gain /(loss)	(0.07)	0.13
Actual return on plan assets	<b>0.54</b>	<b>0.45</b>

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

Particulars	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
Current service cost	0.56	0.41
Actuarial (gains) /losses	0.11	(0.32)
Expected return on plan assets	(0.61)	(0.32)
Interest cost	0.64	0.65
Total expenses / (income) accounted in the Statement of Profit and Loss	<b>0.70</b>	<b>0.42</b>

The actuarial assumptions used to estimate defined benefit obligations and fair value of plan assets are based on the following assumptions which if changed, would affect the defined benefit commitment's size, funding requirements.

Particulars	March 31, 2015	March 31, 2014
Rate on discounting liabilities	7.80%	9.00%
Expected salary increase rate	7.00%	7.00%
Expected rate of return on scheme assets	9.25%	9.45%
Withdrawal rates	2.00%	2.00%
Mortality rates	IALM (2006-08)	IALM (2006-08)

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

Particulars	Rs. in crore				
	2014-15	2013-14	2012-13	2011-12	2010-11
Present value of commitment	(7.41)	(7.06)	(7.22)	(5.46)	(4.65)
Fair value of the plans	6.71	6.64	3.43	5.28	5.54
Surplus / (deficit)	(0.70)	(0.42)	(3.79)	(0.18)	0.89
Experience adjustment on plan liabilities	0.51	0.19	0.81	0.21	(0.25)
Experience adjustment on plan assets	0.08	(0.13)	(1.13)	(0.48)	(0.49)

The contributions expected to be made by the Company during the financial year 2015-16 are Rs. 0.70 crores.

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. The interest shortfall required to be met by the Company based on actuarial valuation of the interest rate guarantee on exempt provident fund is Rs. Nil.

**Defined Contribution Plans:**

The Company offers its employees benefits under defined contribution plans in the form of family pension fund and superannuation fund. Family pension fund and superannuation 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 pension fund, the contribution to superannuation fund are made only by the Company. The contributions are based on a fixed percentage of the employee's salary prescribed in the respective scheme.

A sum of Rs. 0.72 crore (Previous year Rs. 0.72 crore) has been charged to the Statement of Profit and Loss in this respect, the components of which are tabulated below:



**SESA MINING CORPORATION LIMITED**

Notes forming part of the financial statements as at and for the year ended March 31, 2015

Particulars	March 31, 2015	March 31, 2014
	Rs. in crore	Rs. in crore
Family pension fund	0.62	0.38
Superannuation fund	0.10	0.34
	0.72	0.72

32 The Honourable Supreme Court (Supreme Court) vide its judgment dated April 21, 2014 had lifted the ban on mining in the State of Goa, subject to certain conditions and that no mining operations can be carried out until renewal/execution of mining lease deeds by the State government. It has also directed that out of the sale proceeds of the e-auction of excavated ore Leaseholders to be paid average cost of excavation of iron ore, and the balance amounts are to be allocated amongst various affected stakeholders and unallocated amounts to be appropriated to the State Government. In pursuance of the said judgement, the state government of Goa has on October 1, 2014 announced the Goa Grant of Mining Leases Policy, 2014. The State government has renewed the mining leases and the Company is in the process of obtaining other approvals/clearances. The Government of Goa has vide its order dated January 15, 2015 revoked its earlier order on temporary suspension of mining operations in the State of Goa. In view of the above developments, the Company expects to restart mining activities in Goa shortly.

In view of the Supreme Court judgment designating the State Government as owners of the ore and mine lessees entitled to reimbursement of the average cost of excavation, inventories of carrying value of Rs. 66.17 crore, as at March 31, 2014, which earlier would have been disclosed as such are now included under "Claims and other receivables" under the head "Short term loans and advances".

**33 Related party information**

**A. Names of the related parties and their relationships:**

i) Holding Company

Sesa Resources Limited

ii) Ultimate holding company and its intermediaries

*Ultimate Holding company*

Volcan Investments Limited

*Intermediaries*

Vedanta Limited (formerly known as Sesa Sterlite Limited / Sesa Goa Limited)

Vedanta Resources Plc.

Vedanta Resources Holdings Limited

Twinstar Holding Limited

Finsider International Company Limited

Westglobe Limited

Welter Trading Limited

Richter Holdings Limited

Vedanta Resources Finance Limited

Vedanta Resources Cyprus Limited

iii) Fellow Subsidiaries:

(With whom transactions have taken place during the year)

Goa Energy Limited

(ceased to be fellow subsidiary w.e.f. April 01, 2014 consequent to merger with Vedanta Limited)

Hindustan Zinc Limited

Black Mountain Mining (Pty) Limited

Konkola Copper Mines Plc

Talwandi Sabo Power Limited

iv) Details of Key Management Personnel

Mr. Pramod Unde -Whole Time Director & Chief Executive Officer

**B Transactions with related parties:**

**[a] Details relating to parties referred to in items A (i), (ii) & (iii)**

Particulars	Rs. in crore	
	March 31, 2015	March 31, 2014
1) <b>Income</b>		
a) <b>Revenue from operations</b>		
Vedanta Limited	3.79	0.65



**SESA MINING CORPORATION LIMITED**

Notes forming part of the financial statements as at and for the year ended March 31, 2015

**b) Recovery of Expenses**

Vedanta Limited	1.33	0.33
Hindustan Zinc Limited	-	0.01
Sesa Resources Limited	0.02	0.51
Konkola Copper Mines Plc	-	0.08
Black Mountain Mining (Pty) Limited	-	0.00
Talwandi Sabo Power Limited	-	0.00

**2) Expenses**

**a) Expenses reimbursed**

Sesa Resources Limited	0.05	1.90
Vedanta Limited	0.77	0.50

**b) Interest on Inter corporate deposit**

Sesa Resources Limited	14.78	-
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**3) Purchase / Sale of Fixed Assets**

**a) Sales**

Mr. Pramod Unde	-	0.02
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**4) Short Terms Borrowing - Inter corporate deposit**

**a) Taken during the year**

Sesa Resources Limited	46.65	92.90
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**b) Repaid / adjusted during the year**

Sesa Resources Limited	-	0.50
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**5) Advances Taken**

**a) Taken during the year**

Vedanta Limited	3.21	-
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**b) Repaid during the year**

Vedanta Limited	2.05	-
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**6) Outstanding receivable / (payable) as at the end of the year**

Sesa Resources Limited	(233.00)	(173.03)
Vedanta Limited	(2.07)	(0.85)
Hindustan Zinc Limited	-	0.01

**7) Collaterals taken**

Sesa Resources Limited	12.57	12.57
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**[b] Details relating to persons referred to in item A (iv) above:**

**Remuneration (Wholtime Director)**

Mr. Pramod Unde	0.00	0.00
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Note: Mr. Pramod Unde, whole time director draws a nominal remuneration of Rupee 1.

**34 Earnings per share:**

Particulars	March 31, 2015	March 31, 2014
Loss after tax (Rs. in crore)	(61.16)	(73.94)
Weighted average no. of equity shares	1,150,000	1,150,000
Nominal value of each equity shares	Rs.100	Rs.100
Basic and Diluted earnings per share (in Rs.)	(531.83)	(642.96)

35 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, 2015 is as under:

Nature of obligation	March 31, 2015 Rs. in crore	March 31, 2014 Rs. in crore
<b>Provision for mine closure</b>		
Opening carrying amount	0.90	0.96
Additional provision made during the year	-	-
Amount used during the year	-	-
Unused amount reversed during the year	-	(0.06)
Closing carrying amount	0.90	0.90



**SESA MINING CORPORATION LIMITED**

Notes forming part of the financial statements as at and for the year ended March 31, 2015

**36 Foreign Currency Exposures:**

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

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

Particulars	March 31, 2015		March 31, 2014	
	Rs. in crore	Fx million	Rs. in crore	Fx million
Advances to Suppliers	0.03	CAD 0.01	-	-

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

Particulars	March 31, 2015		March 31, 2014	
	Rs. in crore	Fx million	Rs. in crore	Fx million
Trade payables	0.13	CAD 0.03	-	-


Footnote: Fx = Foreign currency; CAD= Canadian Dollar

37 Exceptional item during previous year pertains to payments under the Land Revenue Code in the State of Goa, amended on retrospective basis consequent to the Government of Goa policy for regulating the mining dumps on Government and Private Lands.

38 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

  
Pramod Unde  
Whole-time Director & CEO

  
Neelesh Talathi  
Director & CFO

  
Mahesh Devjani  
Company Secretary



Place: Panaji - Goa  
Date: 27th April, 2015

