

S R B C & COLLP

Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India

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INDEPENDENT AUDITOR'S REPORT

To the Members of Sesa Mining Corporation Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Sesa Mining Corporation Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2020, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) in the Ind AS financial statements which, indicate that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net cash loss during the current and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 2(b), indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not qualified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board of Directors report but does not include the Ind AS Financial Statements and our auditors report thereon.



Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

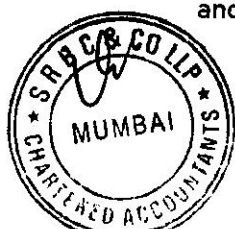
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.



The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

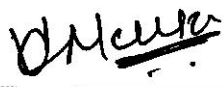
Report on Other Legal and Regulatory Requirements

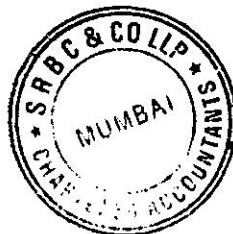
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 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;
 - (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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) The provisions of section 197 read with schedule V of the Act are not applicable to the Company for the year ended March 31, 2020.
- (i) 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, as amended 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 Ind AS financial statements - Refer Note 34 to the Ind AS 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 **SRBC & COLLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

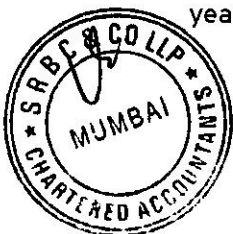

per **Vikram Mehta**
Partner
Membership Number: 105938
UDIN: 20105938AAAABW4027
Place of Signature: Mumbai
Date: May 19, 2020



**"Annexure 1" to Independent Auditor's Report
Sesa Mining Corporation Limited ('the Company')**

With reference to the "Annexure 1" referred in the Independent Auditor's Report to the members of the company on the Ind AS financial statements for the year 31 March 2020 we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals except for finished goods of Rs 25.72 crores, which have not been verified during or at the end of the year which have been impaired as on March 31, 2020 in the books of accounts.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the extraction of metallic Ores, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

| Name of the statute | Nature of the dues | Amount (Rs.in Crores) | Period to which the amount relates | Forum where the dispute is pending |
|--|---------------------|-----------------------|--------------------------------------|--|
| Income Tax Act, 1961 | Income Tax | 7.17 | AY 2009-10 & AY 2011-12 | Commissioner of Income Tax (Appeals) -Panaji |
| Finance Act, 1994 | Service Tax | 4.84 | FY 2016-17 & FY 2017-18 | Commissioner of Income Tax (Appeals) -Panaji |
| Goa Rural Improvement and Welfare Cess Act, 2000 | Transportation Cess | 1.23 | FY 2016-17 | High Court of Bombay at Goa |
| Value added Act | VAT/CST | 0.09 | FY 2015-16 | Additional Commissioner of Commercial Tax, Goa |
| Value added Act | VAT/CST | 0.12 | FY 2012-13 & FY 2013-14 & FY 2016-17 | Assistant Commissioner of Commercial Tax, Goa |

- (viii) As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of the clause 3(viii) is not applicable to the Company and hence not commented upon.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013. The details of such transactions have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.



- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & C O L L P

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Vikram Mehta

Partner

Membership Number: 105938

UDIN: 20105938AAAABW4027

Place of Signature: Mumbai

Date: May 19, 2020



Sesa Mining Corporation Limited
Balance Sheet as at Mar 31, 2020

(INR Crores)

| | Notes | As at March 31, 2020 | As at March 31, 2019 |
|--|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 100.83 | 103.46 |
| Capital work in progress | | - | - |
| Intangible assets | 5 | - | - |
| Financial assets | | | |
| Investments | 6 | 0.00 | 0.00 |
| Others | | 1.15 | - |
| Deferred tax assets (net) | 7 | - | - |
| Income tax assets (net) | | 5.89 | 6.45 |
| Other non-current assets | 8 | 18.99 | 18.34 |
| | | 126.86 | 128.25 |
| Current Assets | | | |
| Inventories | 9 | 1.00 | 2.67 |
| Financial assets | | | |
| Trade receivables | 10 | 0.22 | 0.17 |
| Cash and cash equivalents | 11 | 0.02 | 0.01 |
| Other current assets | 12 | 2.61 | 2.62 |
| | | 3.85 | 5.47 |
| Total Assets | | 130.71 | 133.72 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 13 | 11.50 | 11.50 |
| Other equity | | | |
| Retained Earnings | | (247.60) | (205.93) |
| Other Reserves | | 4.26 | 4.26 |
| Total Equity | | (231.84) | (190.17) |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Other financial liabilities | 14 | 0.58 | - |
| Provisions | 15 | - | - |
| Other Non-current liabilities | 16 | 5.11 | 6.07 |
| | | 5.69 | 6.07 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 17 | 217.19 | 198.03 |
| Trade payables | | | |
| Total outstanding dues of Micro and Small enterprises | 37 | 0.01 | - |
| Total outstanding dues of creditors other than Micro and Small enterprises | 18 | 13.54 | 12.61 |
| Others | 19 | 110.02 | 94.93 |
| Other current liabilities | 20 | 11.47 | 7.86 |
| Provisions | 15 | 4.54 | 4.30 |
| Current tax Liabilities (net) | | 0.09 | 0.09 |
| | | 356.86 | 317.82 |
| Total Equity & Liabilities | | 130.71 | 133.72 |

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the financial statements
As per our report of even date

For and on behalf of the Board of Directors of Sesa Mining Corporation Limited

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E / E300003

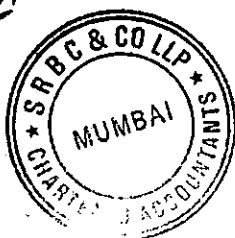
per Vikram Mehta

Partner

Membership No. 105938

Place: Mumbai

Date: May 19, 2020



Saurabh Mazumdar

Executive Director & Chief Executive Officer

DIN 07558996

Place: Panaji-Goa

Date: May 19, 2020

Azad Shaw

Executive Director & Chief Financial Officer

DIN 07504720

Prna Lakhani

Company Secretary

ICSI Membership No A34723



Sesa Mining Corporation Limited
Statement of Profit and Loss for the Year ended March 31, 2020

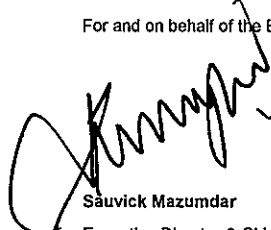
| | | (INR Crores) | |
|--|-------|------------------------------|------------------------------|
| | Notes | Year ended March 31, 2020 | Year ended March 31, 2019 |
| Revenue from Operations | 21 | 3.01 | 6.36 |
| Other income | 22 | 1.34 | 3.20 |
| Total Income | | 4.35 | 9.56 |
| Expenses | | | |
| (Increase) / Decrease in Inventories | 23 | - | - |
| Employee Benefits Expenses | 24 | 15.09 | 17.20 |
| Finance costs | 25 | 17.90 | 15.53 |
| Depreciation and Amortization Expenses | 26 | 3.58 | 6.24 |
| Other Expenses | 27 | 6.08 | 4.74 |
| Total Expenses | | 42.65 | 43.71 |
| Profit/(loss) before Exceptional Items and Tax | | (38.30) | (34.15) |
| Exceptional Items | 28 | 0.04 | - |
| Profit/(loss) before Tax | | (38.26) | (34.15) |
| Tax expense / (benefit) | | | |
| Current Tax | | - | - |
| Deferred Tax | 7 | - | - |
| Net Tax (benefit)/expense | | - | - |
| Profit/(Loss) for the year (A) | | (38.26) | (34.15) |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement gains / (losses) on defined benefit plans | 29 | (3.41) | 0.61 |
| Income tax effect | | - | - |
| Net other comprehensive income not to be reclassified to profit or loss in subsequent periods | | (3.41) | 0.61 |
| Other comprehensive income for the year, net of tax (B) | | (3.41) | 0.61 |
| Total comprehensive income for the year, net of tax (A+B) | | (41.67) | (33.54) |
| Earnings/(Loss) per equity share of Rs. 100 each | 30 | | |
| Basic & Diluted (in Rs.) | | (332.70) | (296.96) |
| Summary of Significant Accounting Policies | 3 | | |
| The accompanying notes are an integral part of the financial statements | | | |

As per our report of even date

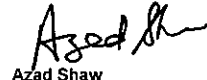
For and on behalf of the Board of Directors of Sesa Mining Corporation Limited

For S R B C & CO LLP
Chartered Accountants

ICAI Firm Registration No. 324982E / E300003


Sauvick Mazumdar
Executive Director & Chief Executive Officer

DIN 07558996


Azad Shaw

Executive Director & Chief Financial Officer
DIN 07504720

per Vikram Mehta
Partner
Membership No. 105938
Place: Mumbai
Date: May 19, 2020



Place: Panaji-Goa
Date: May 19, 2020


Tina Lakhani

Company Secretary
ICSI Membership No A34723



Sesa Mining Corporation Limited
Statement of Changes in Equity for the Year ended March 31, 2020

(INR Crores)

a. Equity Share Capital

Equity shares of INR 100 each Issued, subscribed and fully paid

As at March 31, 2019

As at March 31, 2020

| | Numbers of shares | Amount |
|----------------------|-------------------|--------|
| As at March 31, 2019 | 1,150,000 | 11.50 |
| As at March 31, 2020 | 1,150,000 | 11.50 |

b. Other Equity

For the Year ended March 31, 2020

Particulars

Balance as at April 1, 2018

Profit for the year

Other Comprehensive Income (Note 28)

Balance as at March 31, 2019

Loss for the Year

Other Comprehensive Income (Note 28)

Balance as at March 31, 2020

| Particulars | Retained earnings | Other Reserves | | Total Other Equity |
|--------------------------------------|-------------------|-----------------|-----------------|--------------------|
| | | Capital Reserve | General reserve | |
| Balance as at April 1, 2018 | (172.39) | 0.66 | 3.60 | (168.13) |
| Profit for the year | (34.15) | - | - | (34.15) |
| Other Comprehensive Income (Note 28) | 0.61 | - | - | 0.61 |
| Balance as at March 31, 2019 | (205.93) | 0.66 | 3.60 | (201.67) |
| Loss for the Year | (38.26) | - | - | (38.26) |
| Other Comprehensive Income (Note 28) | (3.41) | - | - | (3.41) |
| Balance as at March 31, 2020 | (247.60) | 0.66 | 3.60 | (243.34) |

Summary of Significant Accounting Policies

3

The accompanying notes are an integral part of the financial statements

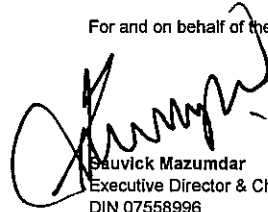
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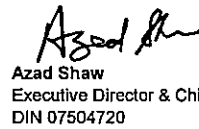
For and on behalf of the Board of Directors of Sesa Mining Corporation Limited

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Chartered Accountants

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Sauvik Mazumdar
Executive Director & Chief Executive Officer
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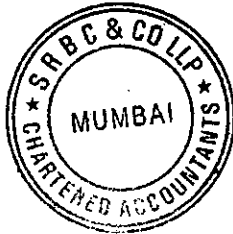
per Vikram Mehta

Partner

Membership No. 105938

Place: Mumbai

Date: May 19, 2020



Place: Panaji-Goa
Date: May 19, 2020


Tina Lakhani
Company Secretary
ICSI Membership No A34723



Sesa Mining Corporation Limited
Statement of Cash Flows for the Year ended March 31, 2020

(INR Crores)

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|------------------------------|------------------------------|
| Cash flows from operating activities | | |
| Profit/(Loss) before tax | (38.26) | (34.15) |
| Adjustments to reconcile profit to net cash provided by operating activities: | | |
| Depreciation and amortization | 3.58 | 6.24 |
| Exceptional items (excluding voluntary retirement expenses) | (0.04) | - |
| Loss/(Profit) on sale of fixed asset, net | (0.32) | (2.21) |
| Deferred government grant | (0.97) | (0.96) |
| Interest Income | (0.05) | (0.03) |
| Finance costs | 17.90 | 15.41 |
| Changes in assets and liabilities: | | |
| (Increase)/decrease in trade and other receivables | (0.05) | 8.09 |
| (Increase)/decrease in inventories | 1.67 | 0.53 |
| Increase/(Decrease) in other current and non-current assets | (0.64) | 0.86 |
| Increase/(decrease) in trade and other payable | 0.93 | (4.67) |
| (Decrease) in other current and non-current liabilities and provisions | 0.41 | (18.28) |
| Cash generation from operation | (15.84) | (29.17) |
| Income tax paid | 0.56 | 0.38 |
| Net cash provided in operating activities | (15.28) | (28.79) |
| Cash flows from investing activities | | |
| Purchases of property, plant and equipment (including intangibles) | 0.01 | - |
| Proceeds from sale of property, plant and equipment | 0.63 | 3.10 |
| Short- term Deposits made | (1.15) | - |
| Net cash used in investing activities | (0.51) | 3.10 |
| Cash flows from financing activities | | |
| Finance costs | (3.36) | (0.03) |
| Proceeds from/(repayment of) short-term borrowing, net | 19.16 | 25.66 |
| Net cash provided/(used in) from financing activities | 15.80 | 25.63 |
| Net (decrease)/increase in cash and cash equivalents | 0.01 | (0.06) |
| Cash and cash equivalents at the beginning of the year | 0.01 | 0.07 |
| Cash and cash equivalents at the end of the Year (Note 11) | 0.02 | 0.01 |

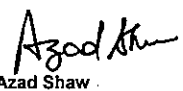
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As per our report of even date

For and on behalf of the Board of Directors of Sesa Mining Corporation Limited

For SRBC & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E / E300003



Gauvick Mazumdar
Executive Director & Chief Executive Officer
DIN 07558996


Azad Shaw
Executive Director & Chief Financial Officer
DIN 07504720


per Vikram Mehta
Partner
Membership No. 105938
Place: Mumbai
Date: May 19, 2020



Place: Panaji-Goa
Date: May 19, 2020


Tina Lakhani
Company Secretary
ICSI Membership No A34723



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020

1. COMPANY OVERVIEW

Sesa Mining Corporation Limited ("the Company") is a public limited company domiciled in India and has its registered office at Sesa Ghor, 20 Edc Complex, Patto, Panaji (GOA) - 403 001. The Company is engaged in the business of mining and export of iron ore. The Company's mining operations are all situated in Goa.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time.

The financial statements were approved for issue by the Board of Directors on May 19, 2020.

b) Basis of measurement

Hon. Supreme Court's vide order dated February 7, 2018 has directed all lease holders operating under a second renewal to stop all mining operations with effect from 16 March 2018 until fresh mining leases (not fresh renewals or other renewals) and fresh environmental clearances are granted in accordance with the provisions of the MMDR Act.

Consequent to the aforesaid judgment mining operations of the Company, have stopped from 16 March 2018. The Company is exploring various options available at this point of time to restart mining operations at the earliest.

The Company has incurred losses during the current year. Further, Vedanta Limited, the parent Company has through letter of support, agreed to continue to provide financial support to the Company for its continued operations atleast for next twelve months, if the Company is unable to meet its funding requirements.

The Company is therefore being viewed as a going concern and financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial instruments and defined benefit plans which have been measured at fair value as required by relevant Ind AS.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

a) Current and non-current classification

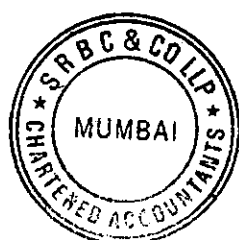
The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020

b) Revenue Recognition

The Company has adopted Ind AS 115 Revenue from contracts with Customers with effect from April 1, 2018 which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard replaces most of the current revenue recognition guidance. The core principle of the new standard is for companies to recognize revenue when the control of the goods and services is transferred to the customer as against the transfer of risk and rewards. As per the Company's current revenue recognition practices, transfer of control happens at the same point as transfer of risk and rewards thus not effecting the revenue recognition. The amount of revenue recognised reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Under this standard, services provided post transfer of control of goods are treated as separate performance obligation and requires proportionate revenue to be deferred along with associated costs and to be recognized over the period of service. The Company provides shipping and insurances services after the date of transfer of control of goods and therefore has identified it as a separate performance obligation. As per the result of evaluation of contracts of the relevant revenue streams, it is concluded that the impact of this change is immaterial to the Company and hence no accounting changes have been done.

The Company has adopted the modified transitional approach as permitted by the standard under which the comparative financial information is not restated. The accounting changes required by the standard are not having material effect on the Company financial statements and no transitional adjustment is recognised in retained earnings at April 1, 2018.

c) Property, Plant and Equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including any expected cost of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit or loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improve the economic benefits expected to arise from the asset.

The stripping cost incurred during the production phase of a surface mine is deferred to the extent the current period stripping cost exceeds the average period stripping cost over the life of mine and recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and certain criteria are met. Deferred stripping costs are included in mining properties within property, plant and equipment and disclosed as a part of mining properties. After initial recognition, the stripping activity asset is depreciated on a unit of production method over the expected useful life of the identified component of the ore body.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/ other expenses in profit or loss.

d) Capital work in progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortised over their estimated useful life. Software is amortised using the straight-line method over the estimated useful life of software license. Amounts paid for securing mining rights are amortised over the period of the mining lease. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is different from previous estimates, the change is accounted for as a change in accounting estimate.



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020

f) Depreciation and Amortisation

Freehold land are not depreciated.

Other Property, Plant & Equipments

Other buildings, plant and equipment, office equipment and fixtures, and motor vehicles are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows -

| | |
|----------------------|-----------------|
| Buildings | - 30 - 60 years |
| River Fleet | - 28 - years |
| Plant & Equipment | - 3-25 years |
| Furniture & Fixtures | - 10 years |
| Vehicles | - 8 years |
| Office Equipment | - 3-5 years |
| Roads | - 5-10 years |
| Bunders | - 30 years |

Mine Closure Asset is being depreciated on a unit of production basis, which is the ratio of extraction in the period to the estimated quantities of proved and probable reserves at the end of the period plus the extraction in the period.

Stamp duties and other statutory levies for renewal of owned mining leases are amortised over the operating period of lease.

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the statements of profit or loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Intangible Assets

Amortisation is provided using the following useful life -

Software - 3 years

Mining Rights - Based on lease Year

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and changes in estimates, if any, are accounted for prospectively.

g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- financial assets include cash and cash equivalents, trade receivables, employee advances, investments in equity and debt securities;

- financial liabilities include long-term and short-term loans and borrowings and trade payables.

Financial Assets - Recognition

Initially, a financial instrument is recognized at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

For purposes of subsequent measurement, financial assets are classified as:



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020

i) Financial assets at amortised cost:

A financial asset is classified as "financial asset at amortised cost" (amortised cost) under IND AS 109 Financial Instruments if it meets both the following criteria:

- (1) The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows, and
- (2) The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified date (the 'SPPI' contractual cash flow characteristics test).

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii) Financial assets at fair value through other comprehensive income (FVTOCI):

All equity investment in scope of IND AS 109 Financial Instruments are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IND AS 103 Business Combinations applies are classified as fair value through profit or loss. For all other equity instruments, the Company may make irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-to-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument through fair value through other comprehensive income (FVTOCI), then all fair value changes in the instruments excluding dividends, are recognised in OCI and is never recycled to statement of profit and loss, even on sale of the instrument.

Financial Assets - Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial liabilities – Recognition & Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The measurement of financial liabilities depends on their classification, as described below:

i) Financial liabilities measured at amortized cost

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation

ii) Financial liabilities at fair value through profit or loss

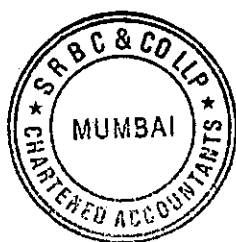
Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Gains or losses on liabilities held for trading are recognized in statement of profit and loss.

Financial liabilities - Derecognition

Financial liabilities are derecognized when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the balance sheet only if there is a current enforceable legal right to offset the recognised amounts and intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020

h) Impairment of Non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment tests are carried out annually for all assets when there is an indication of impairment. The company conducts an internal review of asset values annually, which is used as a source of information to assess for any indications of impairment or reversal of previously recognised impairment losses. External factors, such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognised impairment losses.

If any such indication exists then an impairment review is undertaken, the recoverable amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general. Fair value for mineral assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted at an appropriate post tax discount rate to arrive at the net present value.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use is determined by applying assumptions specific to the company's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the income statement.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

i) Government Grant

Government grants are not recognised until there is a reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received. Government grants relating to tangible fixed assets are treated as deferred income and released to the statements of profit or loss over the expected useful lives of the assets concerned. Other grants are credited to the statements of profit or loss as and when the related expenditure is incurred.

j) Inventories

Inventories (other than immaterial by-products and scrap) including work-in-progress are stated at the lower of cost (on weighted average basis) and net realisable value, less any provision for obsolescence. 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.



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020

k) Taxation

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in OCI.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting period.

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

l) Retirement benefit schemes

Defined benefit plan

In accordance with applicable laws in India, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") for every employee who has completed 5 years or more of service on departure at 15 days salary (last drawn salary) for each completed year of service. The Gratuity Plan provides for a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment based on last drawn salary and tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date using projected unit credit method. The gratuity scheme is funded with Insurance Company.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Defined contribution plan

The Company makes contributions to the family pension and superannuation fund scheme, a defined contribution benefit scheme. These contributions are deposited with Government administered fund and recognised as an expense in the period in which the related service is performed. There is no further obligation on the Company on this defined contribution plan.

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.



m) Provision for liabilities and charges, Contingent liabilities and contingent assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statements of profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

The Company has capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

n) Restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mine. Such costs, discounted to net present value, are provided for and a corresponding amount is capitalised at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to the statement of profit or loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the life of the mineral reserve to which they relate.

Costs for the restoration of subsequent site damage, which is caused on an ongoing basis during production, are charged to the statements of profit or loss as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.

o) Foreign currency

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

p) Functional and presentation currency

Management has determined the currency of the primary economic environment in which the entity resides in and operates as the functional currency. The functional currency of the Company is Indian Rupees (INR). The financial statements have been presented in INR, as it best represents the operating business performance and underlying transactions.

q) 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 during the period. Diluted earnings per share is computed by dividing the profit/(loss) attributable to ordinary equity holders of the Company using the weighted-average number of equity shares considered for deriving basic earnings per share and weighted average number of dilutive equivalent shares outstanding during the period, except where the results would be anti-dilutive. Dilutive potential shares are deemed converted at the beginning of the period, unless issued at later date.



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020

r) 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 Ind AS 108 – Operating Segments.

s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

t) Use of Estimates and Judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the Year in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following accounting policies and/or notes.

u) Leases

The Company assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (and, in some instances, in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Other Financial Liabilities.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR Crores, unless otherwise stated)

4. PROPERTY, PLANT AND EQUIPMENT

| | Land- Freehold | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Road and Bunders | Mine Closure Asset | Stripping asset | ROU Asset | Total |
|-----------------------|----------------|-----------|---------------------|------------------------|----------|------------------|------------------|--------------------|-----------------|-----------|--------|
| Cost | | | | | | | | | | | |
| As at April 1, 2018 | 80.87 | 5.65 | 118.77 | 0.52 | 3.49 | 0.69 | 2.27 | 10.53 | 1.83 | - | 224.62 |
| Additions | - | - | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | (4.46) | - | - | - | - | - | - | - | (4.46) |
| As at March 31, 2019 | 80.87 | 5.65 | 114.31 | 0.52 | 3.49 | 0.69 | 2.27 | 10.53 | 1.83 | - | 220.16 |
| Additions | - | - | - | - | - | 0.01 | - | - | - | 1.07 | 1.08 |
| Disposals | - | - | (2.93) | - | - | - | - | - | - | - | (2.93) |
| As at March 31, 2020 | 80.87 | 5.65 | 111.38 | 0.52 | 3.49 | 0.70 | 2.27 | 10.53 | 1.83 | 1.07 | 218.31 |
| Depreciation | | | | | | | | | | | |
| As at April 1, 2018 | - | 2.67 | 92.64 | 0.42 | 3.20 | 0.56 | 2.19 | 10.53 | 1.83 | - | 114.04 |
| Charge for the year | - | 0.08 | 6.04 | 0.02 | 0.07 | 0.03 | - | - | - | - | 6.24 |
| Disposals | - | - | (3.58) | - | - | - | - | - | - | - | (3.58) |
| As at March 31, 2019 | - | 2.75 | 95.10 | 0.44 | 3.27 | 0.59 | 2.19 | 10.53 | 1.83 | - | 116.70 |
| Charge for the year | - | 0.08 | 2.65 | 0.02 | 0.05 | 0.03 | - | - | - | 0.75 | 3.58 |
| Disposals | - | - | (2.80) | - | - | - | - | - | - | - | (2.80) |
| As at March 31, 2020 | - | 2.83 | 94.95 | 0.46 | 3.32 | 0.62 | 2.19 | 10.53 | 1.83 | 0.75 | 117.49 |
| Net Book Value | | | | | | | | | | | |
| As at March 31, 2019 | 80.87 | 2.90 | 19.21 | 0.08 | 0.22 | 0.10 | 0.08 | - | - | - | 103.46 |
| As at March 31, 2020 | 80.87 | 2.82 | 16.43 | 0.06 | 0.17 | 0.08 | 0.08 | - | - | 0.32 | 100.83 |



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR Crores, unless otherwise stated)

5 INTANGIBLE ASSETS

| | Computer Software | Mining Rights | Total |
|-----------------------|-------------------|---------------|-------|
| Cost | | | |
| As at April 1, 2018 | 1.38 | 42.00 | 43.38 |
| Additions | - | - | - |
| As at March 31, 2019 | 1.38 | 42.00 | 43.38 |
| Additions | - | - | - |
| As at March 31, 2020 | 1.38 | 42.00 | 43.38 |
| Amortization | | | |
| As at April 1, 2018 | 1.38 | 42.00 | 43.38 |
| Charge for the year | - | - | - |
| As at March 31, 2019 | 1.38 | 42.00 | 43.38 |
| Charge for the year | - | - | - |
| As at March 31, 2020 | 1.38 | 42.00 | 43.38 |
| Net Book Value | | | |
| As at March 31, 2019 | - | - | - |
| As at March 31, 2020 | - | - | - |

6 FINANCIAL ASSETS

| | March 31, 2020 | March 31, 2019 |
|---|-----------------------|-----------------------|
| INVESTMENTS | | |
| Investments at Fair Value through OCI (fully paid) | | |
| Unquoted Equity Shares | | |
| In Others | | |
| 276 (March 31, 2019: 276) equity shares of Dempo Mining Corporation Staff Consumer Co-operative Society Ltd. | 0.00 | 0.00 |
| 400 (March 31, 2019: 400) equity shares of Dempo Mining Corporation Employee Co-operative Credit Society Ltd. | 0.00 | 0.00 |
| Total FVTOCI Investments | 0.00 | 0.00 |
| Current | - | - |
| Non-Current | 0.00 | 0.00 |
| Breakup of Financial Assets carried at Amortised Cost | | |
| | March 31, 2020 | March 31, 2019 |
| Non-current Investments (Note 6) | 0.00 | 0.00 |
| Trade Receivables (Note 10) | 0.22 | 0.17 |
| Cash & Cash Equivalents (Note 11) | 0.02 | 0.01 |
| | 0.24 | 0.18 |

7 Deferred tax assets (net)

The major components of income tax expense for the Period ended 31 March 2020 and 31 March 2019 are:

Statement of profit and loss:

Profit or loss section:

| | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Current income tax | | |
| Current income tax charge | - | - |
| Deferred tax: | | |
| Deferred Tax on unabsorbed losses written off | - | - |
| Income tax expense reported in the statement of profit or loss | - | - |

OCI section:

Deferred tax related to items recognised in OCI during the year:

| | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Net loss/(gain) on remeasurement of defined benefit plans | - | - |
| Income tax charged to OCI | - | - |



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR Crores, unless otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:

| | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Accounting profit before income tax | (38.26) | (34.15) |
| At India's statutory income tax rate of 27.82% (31 March 2019: 27.82%) | (10.64) | (9.50) |
| Non deductible expenditure | - | - |
| DTA not recognised due to lack of reasonable certainty | 10.64 | 9.50 |
| Deferred Tax Assets recognised on earlier year's losses, reversed during the year | - | - |
| Annual ETR | - | - |
| Tax Expense / (benefit) | - | - |

Deferred tax

Deferred tax relates to the following:

| | Balance Sheet | | Statement of profit and loss | |
|---|----------------|----------------|------------------------------|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Accelerated depreciation for tax purposes | (23.19) | (23.07) | 23.19 | 23.07 |
| Losses available for offsetting against future taxable income | 19.80 | 18.60 | (19.80) | (18.60) |
| Employee benefits | 1.72 | 1.97 | (1.72) | (1.97) |
| Voluntary retirement scheme | 0.18 | 0.74 | (0.18) | (0.74) |
| Provision for doubtful advances | - | - | - | - |
| Government grant | 1.69 | 1.96 | (1.69) | (1.96) |
| Royalty | (0.20) | (0.20) | 0.20 | 0.20 |
| Deferred tax expense/(income) | - | - | - | (0.00) |
| Net deferred tax assets/(liabilities) | - | 0.00 | - | - |

Reflected in balance sheet as follows:

| | March 31, 2020 | March 31, 2019 |
|--------------------------|----------------|----------------|
| Deferred tax assets | 23.19 | 23.07 |
| Deferred tax liabilities | (23.19) | (23.07) |
| Deferred tax assets, net | - | - |

Reconciliation of deferred tax assets, net

| | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Opening balance as of 1 April | - | - |
| Tax income/(expense) during the Year recognised in profit or loss | - | - |
| Tax income/(expense) during the Year recognised in OCI | - | - |
| Closing balance as at 31 March | - | - |

Unused tax losses/ unused tax credit for which deferred tax asset is not recognized amount to Rs. 222.51 crores and Rs.179.41 crores as at March 31, 2020 and March 31, 2019, respectively. The unused tax losses expire as detailed below:

| March 31, 2020 | Within one year | Greater than one year, less than five years | Greater than five years | No expiry date |
|--------------------------|-----------------|---|-------------------------|----------------|
| Unabsorbed Business Loss | - | 40.57 | 11.01 | 10.32 |
| | - | 40.57 | 11.01 | 10.32 |

8 Other Non-Current Assets

Unsecured, Considered Good

| | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Capital Advances | - | - |
| Balance with central excise and government authorities | 18.99 | 18.34 |

Unsecured, Considered Doubtful

| | | |
|----------------------------------|---------|---------|
| Capital Advances | 3.26 | 3.26 |
| Prepaid Expenses | 1.17 | 1.17 |
| Claims and Other Receivables | 60.14 | 60.14 |
| Leasehold land prepayments | 1.16 | 1.16 |
| Less: Impairment (Refer Note 28) | (65.73) | (65.73) |
| | 18.99 | 18.34 |

9 INVENTORIES

| | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Finished goods (at lower of cost and net realisable value) | 25.72 | 25.72 |
| Stores and spare parts (at cost) | 1.00 | 2.67 |
| Less: Impairment (Refer Note 28) | (25.72) | (25.72) |
| | 1.00 | 2.67 |



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR Crores, unless otherwise stated)

10 TRADE RECEIVABLES

| | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| <i>Unsecured, Considered Good</i> | | |
| Trade Receivables | 0.22 | 0.17 |
| Receivables from Related Parties (Note 39) | - | - |
| | <u>0.22</u> | <u>0.17</u> |

No trade receivables are due from Directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer Note 39.

11 CASH AND CASH EQUIVALENTS

| | March 31, 2020 | March 31, 2019 |
|---------------------------|----------------|----------------|
| Cash and cash equivalents | | |
| Balances with banks | | |
| - On current Accounts | 0.02 | 0.01 |
| | <u>0.02</u> | <u>0.01</u> |

12 OTHER CURRENT ASSETS

| | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| <i>Unsecured, Considered Good</i> | | |
| Advance to suppliers | 0.07 | 0.07 |
| Prepaid Expenses | 0.24 | 0.26 |
| Balance with central excise and government authorities | 2.29 | 2.28 |
| Loans to employees | 0.01 | 0.01 |
| <i>Unsecured, Considered Doubtful</i> | | |
| Advance to suppliers | 0.38 | 0.38 |
| Prepaid Expenses | 0.32 | 0.32 |
| Less: Impairment (Refer Note 28) | (0.70) | (0.70) |
| | <u>2.61</u> | <u>2.62</u> |



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR Crores, unless otherwise stated)

13 EQUITY SHARE CAPITAL

Authorised equity share capital

| | Equity Shares | |
|---------------------------------------|---------------|--------|
| | No. of Shares | Amount |
| At April 1, 2018 | 1,150,000 | 11.50 |
| Increase / (decrease) during the year | - | - |
| At March 31, 2019 | 1,150,000 | 11.50 |
| Increase / (decrease) during the year | - | - |
| At March 31, 2020 | 1,150,000 | 11.50 |

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of INR 100 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity share capital

| | Equity Shares | |
|--|---------------|--------|
| | No. of Shares | Amount |
| Equity Shares of INR 100 each issued, subscribed and fully paid up | | |
| At April 1, 2018 | 1,150,000 | 11.50 |
| Change during the Year | - | - |
| At March 31, 2019 | 1,150,000 | 11.50 |
| Change during the Year | - | - |
| At March 31, 2020 | 1,150,000 | 11.50 |

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

Out of equity and preference shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

| | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Sesa Resources Limited, Holding Company | | |
| 11,50,000 (March 31, 2019: 11,50,000) Equity Shares of INR 100 each fully paid up | 11.50 | 11.50 |

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

| | March 31, 2020 | | March 31, 2019 | |
|---|--------------------|--------------|--------------------|--------------|
| | No. of Shares Held | % of Holding | No. of Shares Held | % of Holding |
| Equity Shares of INR 100 each fully paid up | | | | |
| Sesa Resources Limited, Holding Company | 1,150,000 | 100% | 1,150,000 | 100% |



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR Crores, unless otherwise stated)

14 OTHER FINANCIAL LIABILITIES

| | March 31, 2020 | March 31, 2019 |
|-------------------|----------------|----------------|
| Lease liabilities | 0.58 | - |
| | 0.58 | - |

15 PROVISIONS

| | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Provision for employee benefits (Refer note 33) | | |
| - Retirement benefits | 1.11 | 1.19 |
| - Compensated absences | 3.43 | 3.11 |
| | 4.54 | 4.30 |

a) The movement in provision for compensated absences is as follows:

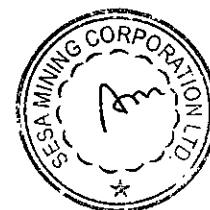
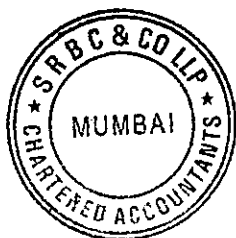
| | Compensated Absences | Total |
|----------------------|----------------------|-------------|
| As at April 1, 2018 | 4.51 | 4.51 |
| Additions | - | - |
| Utilised | (1.40) | (1.40) |
| As at March 31, 2019 | 3.11 | 3.11 |
| Current | 3.11 | 3.11 |
| Non-Current | - | - |

| | Compensated Absences | Total |
|----------------------|----------------------|-------------|
| As at March 31, 2019 | 3.11 | 3.11 |
| Additions | 0.32 | 0.32 |
| Utilised | - | - |
| As at March 31, 2020 | 3.43 | 3.43 |
| Current | 3.43 | 3.43 |
| Non-Current | - | - |

16 Other Non-Current Liabilities

| | March 31, 2020 | March 31, 2019 |
|---------------------------|----------------|----------------|
| Deferred Government Grant | 5.11 | 6.07 |
| | 5.11 | 6.07 |

Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipments accounted for as government grant and being amortised over the useful life of such assets.



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR Crores, unless otherwise stated)

17 BORROWINGS

| | Effective Interest Rate (%) | Maturity | March 31, 2020 | March 31, 2019 |
|--|-----------------------------|-----------|----------------|----------------|
| Current Borrowings | | | | |
| Unsecured | | | | |
| Short Term borrowings from related parties (Note 39) | 8.44% | On Demand | 217.19 | 198.03 |
| | | | 217.19 | 198.03 |

18 TRADE PAYABLES

| | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Trade Payables | 3.38 | 2.44 |
| Trade Payable to related parties (Note 39) | 10.16 | 10.17 |
| | 13.54 | 12.61 |

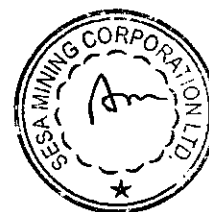
19 OTHER FINANCIAL LIABILITIES

| | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Interest payable to related parties (Note 39) | 101.44 | 86.90 |
| Deposits from Vendors and others | 0.16 | 0.16 |
| Lease liability | 0.58 | - |
| Dues to employees | 7.84 | 7.87 |
| | 110.02 | 94.93 |

20 OTHER CURRENT LIABILITIES

| | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Statutory Liabilities | 7.46 | 6.53 |
| Deferred Government Grant ^a | 0.95 | 0.95 |
| Advance from customers | 0.07 | 0.12 |
| Amount payable to employee provident fund | 2.99 | 0.26 |
| | 11.47 | 7.86 |

a Represents current portion of government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipments accounted for as government grant and being amortised over the useful life of such assets.



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR Crores, unless otherwise stated)

21 REVENUE FROM OPERATIONS

| | March 31, 2020 | March 31, 2019 |
|------------------------------------|----------------|----------------|
| Sale of products | | |
| Sale of goods | - | - |
| Sale of services | | |
| Hire of barges and jetties | 2.93 | 0.31 |
| Other operating revenues | | |
| Unclaimed liabilities written back | - | 5.87 |
| Scrap sales | 0.05 | 0.18 |
| Others | 0.03 | - |
| | 3.01 | 6.36 |

22 OTHER INCOME

| | March 31, 2020 | March 31, 2019 |
|-------------------------------|----------------|----------------|
| Government Grant Income | 0.97 | 0.96 |
| Profit on sale of Fixed Asset | 0.32 | 2.21 |
| Interest income | 0.05 | 0.03 |
| | 1.34 | 3.20 |

23 (INCREASE) / DECREASE IN INVENTORIES

| | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Inventory at the end of the year | | |
| Finished Goods | - | - |
| Impairment during the year (Note 28) | - | - |
| Inventory at the beginning of the year | | |
| Finished Goods | - | - |
| | - | - |
| | - | - |
| | - | - |

24 EMPLOYEES BENEFITS EXPENSE

| | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Salaries and Wages | 13.44 | 15.00 |
| Contribution to provident & other funds | 1.50 | 1.98 |
| Staff welfare expenses | 0.15 | 0.22 |
| | 15.09 | 17.20 |

25 FINANCE COSTS

| | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Interest on debts and borrowings (Note 39) | 17.72 | 15.41 |
| Other borrowing costs | 0.11 | - |
| Net Interest on defined benefit obligations | 0.07 | 0.12 |
| | 17.90 | 15.53 |

26 DEPRECIATION & AMORTISATION

| | March 31, 2020 | March 31, 2019 |
|--------------|----------------|----------------|
| Depreciation | 3.58 | 6.24 |
| Amortisation | - | - |
| | 3.58 | 6.24 |



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR Crores, unless otherwise stated)

27 OTHER EXPENSES

| | March 31, 2020 | March 31, 2019 |
|---------------------------------------|-----------------------|-----------------------|
| Hire of trucks and machineries | 0.99 | - |
| Consumption of stores and spare parts | 2.19 | 0.87 |
| Power & Fuel | 0.42 | 1.02 |
| Rent | 0.50 | 0.63 |
| Repairs to Machinery | 0.01 | - |
| Repairs Others | - | 0.01 |
| Rates And Taxes | 0.10 | 0.05 |
| Insurance | 0.59 | 0.55 |
| Payment to Auditors | 0.08 | 0.08 |
| General Expenses | 1.20 | 1.53 |
| | 6.08 | 4.74 |

Payment to Auditors

| | March 31, 2020 | March 31, 2019 |
|-------------------------------------|-----------------------|-----------------------|
| As auditor | | |
| Audit Fees | 0.07 | 0.07 |
| In other capacity | | |
| Other services (Certification fees) | 0.01 | 0.01 |
| | 0.08 | 0.08 |

28 EXCEPTIONAL ITEMS

| | March 31, 2020 | March 31, 2019 |
|------------------------|-----------------------|-----------------------|
| Impairment of assets * | (0.04) | - |
| | (0.04) | - |

Represents impairment reversal on account of sale of assets which were impaired pursuant to an order passed by the Hon'ble Supreme Court of India on February 7, 2018.

29 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

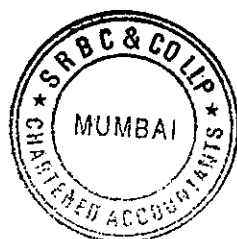
The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended March 31, 2019

| | Retained earnings |
|---|--------------------------|
| Remeasurement gains / (losses) on defined benefit plans | 0.61 |
| | 0.61 |

During the year ended March 31, 2020

| | Retained earnings |
|---|--------------------------|
| Remeasurement gains / (losses) on defined benefit plans | (3.41) |
| | (3.41) |



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR Crores, unless otherwise stated)

30 EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted EPS computations:

| | <u>March 31, 2020</u> | <u>March 31, 2019</u> |
|--|-----------------------|-----------------------|
| Profit/(Loss) attributable to equity share holders | (38.26) | (34.15) |
| Weighted average number of equity shares for EPS | Nos 1,150,000 | 1,150,000 |
| EPS - Basic & Diluted (INR per share) | (332.70) | (296.96) |
| Nominal Value of Shares (INR per share) | 100 | 100 |

31 CORPORATE SOCIAL RESPONSIBILITY EXPENSE

The Company has incurred an amount of Rs. Nil (previous year Rs.0.05 Crores) towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 and is included in other expenses.

| | <u>March 31, 2020</u> | | <u>March 31, 2019</u> | |
|---|-----------------------|------------------------|-----------------------|------------------------|
| | In-cash | Yet to be paid in cash | In-cash | Yet to be paid in cash |
| (a) Gross amount required to be spend by the Company during the year | - | - | - | - |
| (b) Amount spent on: | | | | |
| i) For CSR projects as defined in schedule VII of the Companies Act, 2013 | - | - | 0.05 | - |
| Total | - | - | <u>0.05</u> | <u>-</u> |



32 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment in line with useful lives specified in schedule II of Companies Act. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Company's property, plant and equipment at the end of the reporting period is disclosed in Note 4 to financial statements.

(b) Employees benefits plan

The cost of defined benefit gratuity plan as well as the present value of the gratuity obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, expected rates of return of assets, future salary increase and mortality rates. Due to the complexity of the valuation, the underlying assumptions, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about gratuity obligation has been mentioned in Note 33.

(c) Income Taxes

The Company has exposure to income taxes in Indian jurisdiction. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant managements judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(d) Provision for restoration and rehabilitation costs

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised when incurred reflecting the Company's obligations at that time.

A corresponding provision is created on the liability side. The capitalised asset is charged to profit or loss over the life of the asset through depreciation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology.

(e) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.



33 GRATUITY & OTHER POST EMPLOYEE BENEFIT PLANS

A DEFINED CONTRIBUTION PLANS

The Company offers its employees benefits under defined contribution plans in the form of family pension 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 respective scheme.

A sum of Rs.0.54 crore (previous year Rs. 0.58 crore) has been charged to the statement of profit and loss in this respect, the components of which are tabulated below.

| Particulars | March 31, 2020 | March 31, 2019 |
|---------------------|----------------|----------------|
| Family Pension Fund | 0.51 | 0.56 |
| Superannuation Fund | 0.03 | 0.02 |
| | 0.54 | 0.58 |

B DEFINED BENEFIT PLANS

i) Gratuity plan

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Insurance Company in the form of a qualifying Insurance Policy.

The Company has constituted a trust recognized by income tax authorities for gratuity of employees. The Company contributes funds to Life Insurance Corporation of India which are irrevocable. The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the company. Based on actuarial valuations conducted as at year end, a provision is recognised in full for the benefit obligation over and above the funds held in the Gratuity Plan.

Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the defined benefit obligations are as follows:

| | March 31, 2020 | March 31, 2019 |
|-------------------------|----------------|----------------|
| Discount Rate | 6.80% | 7.80% |
| Future Salary Increases | 2% - 5% | 2% - 5% |
| Withdrawal Rate | 1.00% | 1.00% |
| Mortality Table | IALM (2012-14) | IALM (2006-08) |

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

Amount recognised in Balance Sheet consists of:

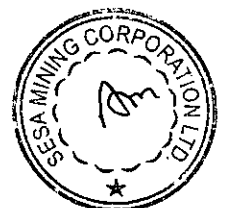
| | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Fair Value of plan assets | 5.17 | 4.03 |
| Present Value of defined benefit obligations | (6.28) | (5.22) |
| Net (Liability)/ Asset arising from defined benefit obligations | (1.11) | (1.19) |

Amount recognised in Statement of Profit or Loss in respect of defined benefit plan are as follows:

| | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Current Service Cost | 0.44 | 0.38 |
| Net Interest Cost | 0.09 | 0.10 |
| Components of defined benefit costs recognised in profit or loss | 0.53 | 0.48 |

Amount recognised in other comprehensive income in respect of defined benefit plan are as follows:

| | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Re-measurement of the net defined benefit obligation: | | |
| Actuarial losses arising from changes in demographical assumptions | 0.00 | 0.07 |
| Actuarial (gains)/ losses arising from changes in financial assumptions | (0.38) | 1.06 |
| Actuarial gains arising from experience adjustments | (0.15) | (0.45) |
| (Gain)/ Loss on plan assets (excluding amounts included in net interest cost) | (0.04) | (0.07) |
| Components of defined benefit costs recognised in Other comprehensive income | (0.57) | 0.61 |



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR crore, unless otherwise stated)

Movement in present value of defined benefit obligation:

| | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Opening Balance | 5.22 | 6.01 |
| Current service cost | 0.44 | 0.38 |
| Benefits paid | (0.32) | (0.95) |
| Interest Cost | 0.41 | 0.46 |
| Actuarial losses arising from changes in demographical assumptions | (0.00) | (0.07) |
| Actuarial loss/ (gain) arising from changes in financial assumptions | 0.38 | (1.06) |
| Actuarial Loss /(Gain) gains arising from experience adjustments | 0.15 | 0.45 |
| Closing Balance | 6.28 | 5.22 |

Movement in fair value of plan assets:

| | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Opening Balance | 4.03 | 4.65 |
| Contributions made | 1.19 | 0.04 |
| Benefits Paid | (0.32) | (0.95) |
| Re-measurement gains arising from return on plan assets | (0.07) | (0.05) |
| Interest Income | 0.34 | 0.34 |
| Closing Balance | 5.17 | 4.03 |

A quantitative sensitivity analysis for significant assumptions as at 31 March 2020 is as shown below:

Impact on defined benefit obligation

| Sensitivity Level | March 31, 2020 | | March 31, 2019 | |
|-------------------------------------|----------------|-----------|----------------|-----------|
| | Increase | Decrease | Increase | Decrease |
| | Rs. Crore | Rs. Crore | Rs. Crore | Rs. Crore |
| Discount Rate (+ / - 0.5%) | 0.19 | (0.21) | 0.16 | (0.17) |
| Future Salary Increase (+ / - 0.5%) | (0.21) | 0.20 | (0.18) | 0.17 |

Sensitivities due to mortality and withdrawals are not material and hence impact of change has not been calculated by the Actuary. The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting Year.

In absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets and the percentage or amount for each major category to the fair value of total plan assets has not been disclosed.

The contribution expected to be made by the company during the financial year 2020-21 as ascertained by the management is Rs.0.56 crore (March 31, 2019: Rs. 0.51 crore)

ii) Contribution to provident fund trust (the "trust")

The provident fund of the Company is exempted under section 17 of The Employees Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulates that the employer shall make good deficiency, if any, between the return guaranteed by the statute and actual earning of the Fund. Based on actuarial valuation in accordance with Ind AS 19 and Guidance note issued by Institute of Actuaries of India for interest rate guarantee of exempted provident fund liability of employees, there is interest shortfall in the funds managed by the trust as at March 31, 2020 (March 31, 2019: Nil) and hence liability amounting to Rs. 0.76 crore has been recognised as at March 31, 2020 (March 31, 2019: Nil). Having regard to the assets of the Fund and the return on the investments, the Company does not expect any further deficiency in the foreseeable future.

The Company contributed a total of Rs. 0.51 crore for the year ended March 31, 2020 and Rs. 1.14 crore for the year ended March 31, 2019. The present value of obligation and the fair value of plan assets of the trust are summarized below.

| Particulars | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Fair value of plan assets | 33.19 | 32.64 |
| Present value of defined benefit obligations | (33.95) | (32.21) |
| Net liability arising from defined benefit obligation of trust | (0.76) | - |

Percentage allocation of plan assets of trust

| Assets by category | March 31, 2020 | March 31, 2019 |
|--------------------------|----------------|----------------|
| Government Securities | 56.42% | 56.01% |
| Debentures / bonds | 38.27% | 38.47% |
| Equity | 5.31% | 4.75% |
| Money market instruments | 0.00% | 0.77% |



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR Crores, unless otherwise stated)

34 COMMITMENTS AND CONTINGENCIES

a. Commitment

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for:

Capital commitments

The Company has capital commitments of Rs. Nil as at March 31, 2020 (March 31, 2019 - Nil) primarily related to capacity expansion projects

(ii) Contingent liabilities

| Sr. No | Particulars | March 31, 2020 | March 31, 2019 |
|--------|---|----------------|----------------|
| 1 | Demand raised by income tax authorities against which company has filed appeals | 8.99 | 8.99 |
| | Claims against the company not acknowledged as debt: | | |
| 2 | - 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 | 19.57 |
| | - Contribution towards Goa Iron Ore Permanent Fund levied by Government of Goa | - | 0.56 |
| 3 | Others claims | 1.13 | 0.08 |
| 4 | Guarantees issued by the bankers in favour of various parties | 1.04 | - |
| | Total | 30.73 | 29.20 |

35 OPERATING SEGMENTS

The company primarily operates in the segment of mining and sale of iron ore. As per the company's chief operating decision maker ("CODM"), 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 Ind AS 108 - Operating Segments.

A) Information about products

Iron ore

| | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| | - | - |

B) All revenue and non-current assets of the Company is situated in India, hence, disclosure pertaining to geographical areas has not been updated.

C) Company primarily sells entire output to its ultimate holding company.



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR Crores, unless otherwise stated)

36 Financial instruments

Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

March 31, 2020

| Financial assets | Fair value through profit or loss | Fair value through other comprehensive income | Amortised cost | Total carrying value |
|------------------------------|-----------------------------------|---|----------------|----------------------|
| Financial assets | | | | |
| Trade receivables | - | - | 0.22 | 0.22 |
| Cash and cash equivalents | - | - | 0.02 | 0.02 |
| Total | - | - | 0.24 | 0.24 |
| Financial liabilities | | | | |
| Short-term borrowings | - | - | 217.19 | 217.19 |
| Trade payables | - | - | 13.55 | 13.55 |
| Other financial liabilities | - | - | 110.61 | 110.61 |
| Total | - | - | 341.35 | 341.35 |

March 31, 2019

| Financial assets | Fair value through profit or loss | Fair value through other comprehensive income | Amortised cost | Total carrying value |
|-------------------------------------|-----------------------------------|---|----------------|----------------------|
| Financial assets | | | | |
| Trade receivables | - | - | 0.17 | 0.17 |
| Loans – current | - | - | - | - |
| Cash and cash equivalents | - | - | 0.01 | 0.01 |
| Total | - | - | 0.18 | 0.18 |
| Financial liabilities | | | | |
| Short-term borrowings | - | - | 198.03 | 198.03 |
| Trade payables | - | - | 12.61 | 12.61 |
| Other current financial liabilities | - | - | 94.93 | 94.93 |
| Total | - | - | 305.57 | 305.57 |

Risk management

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty credit risk. The company does not engage in speculative treasury activity but seeks to manage risk and optimize interest and foreign currency through proven financial instruments.

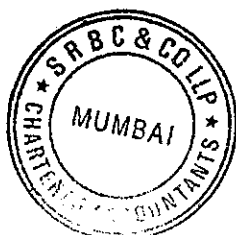
Treasury management

The company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk), credit risk and liquidity risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury policies are approved by the Board and adherence to these policies is strictly monitored at the Finance Standing Committee. A monthly reporting system exists to inform senior management of investments, debt and currency. The company has a strong system of internal control which enables effective monitoring of adherence to company's policies. The internal control measures are effectively supplemented by regular internal audits.

Financial risk

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimize foreign exchange impact through proven financial instruments.



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR Crores, unless otherwise stated)

Liquidity Risk:

The company requires funds both for short-term operational needs as well as for long-term investment projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short term investments provide liquidity both in the short-term as well as in the long term.

The company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening our balance sheet. The maturity profile of the Company's financial liabilities based on the remaining Year from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the company.

As on March 31, 2020

| | <1 year | 2 Years | 3-5 Years | > 5 Years | Total |
|-------------------------------------|---------|---------|-----------|-----------|--------|
| Financial liabilities | | | | | |
| Current | | | | | |
| Borrowings | 217.19 | - | - | - | 217.19 |
| Trade payables | 13.55 | - | - | - | 13.55 |
| Other financial liabilities-current | 110.61 | - | - | - | 110.61 |

As on March 31, 2019

| | <1 year | 2 Years | 3-5 Years | > 5 Years | Total |
|-------------------------------------|---------|---------|-----------|-----------|--------|
| Financial liabilities | | | | | |
| Current | | | | | |
| Borrowings | 198.03 | - | - | - | 198.03 |
| Trade payables | 12.61 | - | - | - | 12.61 |
| Other financial liabilities-current | 94.93 | - | - | - | 94.93 |

Interest rate risk:

Borrowings of the company are principally denominated in Indian Rupees with fixed rate of interest. The company invests cash and liquid investments in short-term deposits and debt mutual funds, some of which generate a tax free return, to achieve the Company's goal.

The exposure of the company's financial assets as at March 31, 2020 to interest rate risk is as follows:

As at March 31, 2020

| | Floating rate financial assets | Fixed rate financial assets | Non interest bearing financial assets | Total financial assets |
|---------------------------------------|--------------------------------|-----------------------------|---------------------------------------|------------------------|
| Financial assets-current | | | | |
| Trade receivables | - | - | 0.22 | 0.22 |
| Cash and cash equivalents | - | - | 0.02 | 0.02 |
| Total financial assets-current | - | - | 0.24 | 0.24 |
| Total financial assets | - | - | 0.24 | 0.24 |

As at March 31, 2019

| | Floating rate financial assets | Fixed rate financial assets | Non interest bearing financial assets | Total financial assets |
|---------------------------------------|--------------------------------|-----------------------------|---------------------------------------|------------------------|
| Financial assets-current | | | | |
| Trade receivables | - | - | 0.17 | 0.17 |
| Cash and cash equivalents | - | - | 0.01 | 0.01 |
| Total financial assets-current | - | - | 0.18 | 0.18 |
| Total financial assets | - | - | 0.18 | 0.18 |

As at March 31, 2020

| | Floating rate financial liabilities | Fixed rate financial liabilities | Non interest bearing financial liabilities | Total financial liabilities |
|--|-------------------------------------|----------------------------------|--|-----------------------------|
| Financial liabilities-current | | | | |
| Borrowings | - | 217.19 | - | 217.19 |
| Trade payables | - | - | 13.55 | 13.55 |
| Other financial liabilities | - | - | 110.61 | 110.61 |
| Total financial liabilities-current | - | 217.19 | 124.16 | 341.35 |
| Total financial liabilities | - | 217.19 | 124.16 | 341.35 |

As at March 31, 2019

| | Floating Rate Financial Liabilities | Fixed Rate Financial Liabilities | Non Interest bearing Financial Liabilities | Total Financial Liabilities |
|--|-------------------------------------|----------------------------------|--|-----------------------------|
| Financial liabilities-current | | | | |
| Borrowings | - | 198.03 | - | 198.03 |
| Trade payables | - | - | 12.61 | 12.61 |
| Other financial liabilities | - | - | 94.93 | 94.93 |
| Total financial liabilities-current | - | 198.03 | 107.54 | 305.57 |
| Total financial liabilities | - | 198.03 | 107.54 | 305.57 |



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR Crores, unless otherwise stated)

Credit Risk:

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The company is exposed to credit risk for receivables, cash and cash equivalents and short-term investments.

The history of trade receivables shows a negligible provision for bad and doubtful debts. The credit risk on the trade receivables and loans to related parties is supported by a Letter of comfort from Vedanta. Therefore, the company does not expect any material risk on account of non-performance by any of the company's counterparties.

Of the year ended March 20, Trade and other receivables balance, the following were past due but not impaired:

As at March 31, 2020

| Particulars | As at March 31, 2020 | | | | Due greater |
|-------------------|----------------------|------------------------|------------------------|-------------------------|-------------|
| | Not past due | Due less than 1 months | Due between 1-3 months | Due between 3-12 months | |
| Trade receivables | - | - | - | 0.22 | - |
| Total | - | - | - | 0.22 | - |

As at March 31, 2019

| Particulars | As at March 31, 2019 | | | | Due greater |
|-------------------|----------------------|------------------------|------------------------|-------------------------|-------------|
| | Not past due | Due less than 1 months | Due between 1-3 months | Due between 3-12 months | |
| Trade receivables | - | - | - | - | 0.17 |
| Total | - | - | - | - | 0.17 |

Foreign Currency Risk

The Company is exposed to the risk of changes in foreign exchange rates, primarily to the company's operating activities (purchase of spare parts in foreign currency). Exposure on foreign currency is managed through the foreign exchange hedging policy, which is periodically to expose the risk for fluctuation currency exchange rates is appropriately managed.

Unhedged Foreign Currency

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

Amounts payable in foreign currency on account of the following:

| | As at March 31, 2020 | | As at March 31, 2019 | |
|----------------|----------------------|----------------------------|----------------------|----------------------------|
| | Foreign Currency | INR Equivalent (in crores) | Foreign Currency | INR Equivalent (in crores) |
| Trade Payables | - | - | - | - |



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR Crores, unless otherwise stated)

37 CAPITAL MANAGEMENT

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of internal fund generation and other long term borrowings. The Company's policy is to use short term and long-term borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements.

Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises all components excluding other components of equity (which comprises the cash flow hedges, translation of foreign operations and available-for-sale financial investments).

The following table summarizes the capital of the Company:

| As at | March 31, 2020 | March 31, 2019 |
|-------------------------------------|----------------|----------------|
| Equity | 11.50 | 11.50 |
| Cash and cash equivalents (Note 11) | 0.02 | 0.01 |
| Total cash (a) | 0.02 | 0.01 |
| Short-term borrowings (Note 17) | 217.19 | 198.03 |
| Total debt (b) | 217.19 | 198.03 |
| Net debt (c=(b-a)) | 217.16 | 198.02 |
| Total capital (equity + net debt) | 228.66 | 209.52 |
| Net debt to equity ratio | 18.88 | 17.22 |

The Company has incurred losses during the current year but its anticipated future cash flows are expected to be sufficient to meet the liquidity requirements on account of estimated inventory plan movement based on supreme court order passed by the Hon'ble Supreme Court of India on January 30, 2020, permitting transportation of royalty paid mineral/iron ore which is mined prior to March 15, 2018 from the jetties/stockyard or pitheads on the basis of the valid transit permits issued to them by the competent authority of the State Government. Such transportation shall be completed within a period of six months from date of order

38 DISCLOSURES AS REQUIRED BY THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

| | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| a) The principal amount and the interest due thereon remaining unpaid to suppliers | | |
| i) Principal | 0.01 | - |
| ii) Interest due thereon | - | - |
| b) i) The delayed payments of principal amount paid beyond the appointed date during the entire accounting year/Year | - | - |
| ii) Interest actually paid under Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| c) i) Normal Interest accrued during the Year, for all the delayed payments, as per the agreed terms | - | - |
| ii) Normal Interest payable for the Year of delay in making payment, as per the agreed terms | - | - |
| d) i) Total Interest accrued during the year | - | - |
| ii) Total Interest accrued during the year and remaining unpaid | - | - |
| e) Included in (d) above being interest on amounts outstanding as at the beginning of the accounting Year. | - | - |

The above information has been identified on the basis of information available with the Company. This has been relied upon by the auditors.



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR Crores, unless otherwise stated)

39 RELATED PARTY TRANSACTIONS

A List of related parties and relationships:

Entity Controlling the Company (Holding Company)

· Sesa Resources Limited

Ultimate Holding Company and its intermediaries

Ultimate Holding Company

· Volcan Investments Limited ('Volcan')

Intermediaries

· Vedanta Limited (formerly known as Sesa Sterlite Limited)
· Vedanta Resources Plc.

Post retirement benefit plan

· Sesa Mining Corporation Limited Employees Provident Fund
· Sesa Mining Corporation Limited Employees Gratuity Fund
· Sesa Resources Limited and Sesa Mining Corporation Limited Employees Superannuation Fund

B Transactions during the year:

| | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Revenue from operations | | |
| Vedanta Limited | 2.69 | 0.30 |
| Sesa Resources Limited | - | - |
| Recovery of expenses | | |
| Vedanta Limited | 2.90 | 4.03 |
| Sesa Resources Limited | 0.01 | 0.25 |
| Expenses reimbursed | | |
| Vedanta Limited | 0.04 | 0.17 |
| Sesa Resources Limited | - | - |
| Sales of Fixed Asset | | |
| Vedanta Limited | 0.63 | 3.10 |
| Interest on Inter corporate deposit | | |
| Sesa Resources Limited | 14.55 | 14.13 |
| Vedanta Limited | 3.17 | 1.28 |
| Repaid during the year | | |
| Sesa Resources Limited | - | 0.18 |
| Details of transactions with post retirement employee benefit plan | | |
| Sesa Mining Corporation Limited Employees Provident Fund | 0.63 | 1.22 |
| Sesa Mining Corporation Limited Employees Gratuity Fund | 1.19 | 0.04 |
| Sesa Resources Limited and Sesa Mining Corporation Limited Employees Superannuation Fund | 0.03 | 0.04 |

C Outstanding Balance at the year end

| | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Trade receivables | | |
| Vedanta Limited | - | - |
| Trade payables | | |
| Sesa Resources Limited | 10.16 | 10.17 |
| Loans from | | |
| Sesa Resources Limited | 172.19 | 172.19 |
| Vedanta Limited | 45.00 | 25.84 |
| Interest payable | | |
| Sesa Resources Limited | 97.34 | 85.65 |
| Vedanta Limited | 4.10 | 1.25 |
| Other receivables | | |
| Sesa Mining Corporation Limited Employees Gratuity Fund | - | - |
| Other payables | | |
| Sesa Mining Corporation Limited Employees Provident Fund | 0.16 | 0.26 |
| Sesa Mining Corporation Limited Employees Gratuity Fund | 1.11 | 1.19 |
| Sesa Resources Limited and Sesa Mining Corporation Limited Employees Superannuation Fund | 0.00 | 0.00 |



Sesa Mining Corporation Limited
Notes to Financial Statement for the Year ended March 31, 2020
(All amounts are in INR Crores, unless otherwise stated)

Terms and conditions of transactions with related parties

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantee provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: Rs. Nil).

- 40 The Company has adopted modified retrospective approach as per para C8(c) (ii) of Ind AS 116- Leases to its leases effective from annual reporting period beginning April 1, 2019. This has resulted in recognising a right of use of assets (an amount equal to the lease liability, adjusted by prepaid rent) of Rs 1.35 Cr as at April 1, 2019. In the statement of profit and loss for the year ended operating lease expenses has changed from rent to depreciation cost for right of use of assets and finance cost for interest accrued on lease liability.

Considering mining operations were stopped with effect from March 16,2018 until fresh mining leases (not fresh renewals or other renewals) and fresh environmental clearances are granted in accordance with the provisions of the Mines and Minerals (Development and Regulation) (MMDR) Act, the Company has recognised Right of Use assets on surface rights for mining properties for an estimated period of 3 years on basis of intention as the Company can surrender the leases legally at any point of time

The impact of change on account of adoption of Ind AS 116 is as follows

| Particulars | Amount in Crores |
|---------------------|------------------|
| Lease liability | 1.07 |
| Right of use assets | 1.07 |
| Finance cost | 0.09 |
| Depreciation | 0.74 |

Maturity analysis of lease liabilities

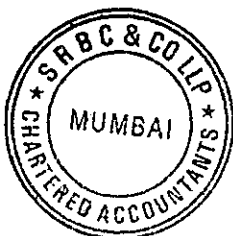
| Maturity analysis – contractual undiscounted cash flows | March 31, 2020 |
|--|----------------|
| Less than one year | 0.53 |
| One to five years | 0.79 |
| More than 5 years | 0.04 |
| Total undiscounted lease liabilities at 31 March 2020 | 1.36 |
| Lease liabilities included in the statement financial position at 31 March 2020 | 1.16 |
| Current | 0.58 |
| Non Current | 0.58 |

Amounts recognised in profit or loss

| Particulars | March 31, 2020 |
|--|----------------|
| Interest on lease liabilities | 0.09 |
| Expenses relating to short-term leases | 0.50 |
| Expenses relating to leases of low-value assets, excluding short-term leases of low value assets | - |

Amounts recognised in the statement of cash flows

| Particulars | March 31, 2020 |
|-------------------------------|----------------|
| Total cash outflow for leases | - |



41 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Since there were no standard issued but not effective at the time of signing of financial statement, the disclosure is not applicable.

42 EVENTS AFTER THE REPORTING PERIOD

There are no significant events which have occurred after the reporting period.

43 NOTE ON COVID-19

Pursuant to an order passed by the Hon'ble Supreme Court of India on February 07, 2018, the second renewal of the mining leases granted by the State of Goa in 2014-15 to all miners including Sesa Mining Corporation Limited were cancelled. Consequentially all mining operations stopped with effect from March 16, 2018 until fresh mining leases (not fresh renewals or other renewals) and fresh environmental clearances are granted in accordance with the provisions of The Mines and Minerals (Development and Regulation) (MMDR) Act.

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this Government of India declared lockdown on March 24, 2020, the Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of Property, Plant and Equipment assets and in relation to other financial statements captions. The Management has carried out independent valuation in determining the recoverable value of the Property, Plant and Equipment in accordance with Ind AS 36, Impairment of Assets. Based on the report, the Management has concluded that the recoverable amount of Property, Plant and Equipment is in range of their carrying amounts as at March 31, 2020 and hence no further impairment is required. On the basis of evaluation and current indicators of future economic conditions, the Company expects to recover the carrying amount of the assets and does not anticipate any additional impairment to these financial and non-financial assets. The Company will continue to closely monitor any material changes to future economic conditions

As per our report of even date

For and on behalf of the Board of the Directors of Sesa Mining Corporation Limited

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Registration No. 324982E / E300003

per Vikram Mehta
Partner
Membership No. 105938
Place: Mumbai
Date: May 19, 2020



A handwritten signature in black ink.

Sauvick Mazumdar
Executive Director & Chief Executive Officer
DIN 07558996

A handwritten signature in black ink.

Azad Shaw
Executive Director & Chief Financial Officer
DIN 07504720

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Tina Lakhani
Company Secretary
ICSI Membership No A34723

Place: Panaji-Goa
Date: May 19, 2020

