

Corporate Information

Board of Directors:

D. D. Jalan

P. K. Mukherjee

A. K. Rai

S. L. Bajaj

Pramod Unde

Auditors:

M/s. Deloitte Haskins & Sells

Chartered Accountants,

Chennai

Registered Office:

Sesa Resources Limited

Sesa Ghor, 20 EDC Complex,

Patto, Panaji,

Goa - 403 001, INDIA.

Bankers:

State Bank of India

Kotak Mahindra Bank

DBS Bank India

HDFC Bank

Bank of India

Canara Bank

ICICI Bank

Mining and other establishments:

Goa, India

Directors' Report

To the Members,

The Board of Directors presents the 46th Annual Report of the Company together with the Audited Statements of Account for the financial year ended March 31, 2012.

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

1. FINANCIAL RESULTS:

	₹ in crore	
	2011 -2012	2010 -2011
Profit before Depreciation & Taxes	854.15	1,163.35
Less: a) Depreciation	14.14	10.51
b) Provision for Taxes		
Current	256.75	375.02
Deferred	5.26	2.23
Fringe Benefit Tax	-	-
Prior Years	- 276.15	(0.01) 387.75
Profit after Tax	578.00	775.60
Add: Surplus brought forward from previous year	1,392.98	617.38
Transfer from Investment Fluctuation Reserve	-	-
Amount available for appropriation	1,970.98	1,392.98
Less: Appropriations :		
a) Interim Dividend	187.50	-
b) Proposed Final Dividend	125.00	-
c) Corporate Dividend Tax	51.42	-
d) General Reserve	75.00 438.92	-
Balance Carried Forward	1,532.06	1,392.98

2. CORPORATE ACTIONS

During the year, the Company has taken significant steps in the direction of creation of a Diversified Global Resource Champion. It acquired 1.7% interest in Cairn India Limited.

Cairn India Limited

During the year, Sesa Goa Limited along with its subsidiary, Sesa Resources Limited acquired 20% of the share capital of Cairn India Limited at a cash consideration of ₹ 13,075 crores.

3. DIVIDEND

The boards of Directors have declared an interim dividend of ₹ 1,500/- per share of ₹ 10/- each aggregating to ₹ 187.50 crores and have also proposed a final dividend of ₹ 1,000/- per share of ₹ 10/- each aggregating to ₹ 125.00 crores for the financial year ended March 31, 2012.

4. BUSINESS PERFORMANCE AND OUTLOOK

During the year the annual sales volumes of your company were at 3.8 million tonnes in 2011-12 as compared to 4.3 million tonnes in 2010-11.

The Company was able to post a net profit of ₹ 578 crores in 2011-12 as against ₹ 776 crores in 2010-11. The decline in net profit is mainly due to increase in export duty, increase in purchase cost, loss on foreign currency transaction and translation in respect of borrowings.

During the year, some external developments affected SRL's operations such as:

Ministry of Mines, Government of India constituted the Shah Commission for inquiry into aspects of compliances for iron ore mining across India. The Company was subjected to investigations by the Shah Commission and has provided all the requisite information to the Commission during their visit to Goa.

During the year, the Company was adversely affected by a significant increase in the export duty on iron ore. The duty rates on both lumps and fines were increased from 20% to 30% effective from 30 December 2011.

The Mines and Minerals Development and Regulation Bill have been proposed to replace the existing Mines and Minerals (Development and Regulation) Act, 1957. The bill proposes a number of changes to mining regulation including introduction of auction for allocation of leases, and a proposed imposition of additional cost in terms of social contribution equivalent to the royalty (currently 10% advalorem).

OUTLOOK

The Company remains optimistic on the demand and price outlook for iron ore in the global seaborne trade. In fact, the consensus expectations suggest a global deficit for the next two years on the back of supply constraints. In the longer term, however, prices are likely to be under pressure as and when supply picks up with several new investments coming on stream.

On the cost front, increased royalty rates, road freight and export duty continue to exert pressure on the Company's margins.

Sesa Resources remains focused on extracting the maximum internal efficiencies and operational productivity to develop the Company using its sustainable growth model. As with last year, we remain cautiously optimistic for overcoming challenges and delivering growth in 2012-13.

ISO CERTIFICATION

During the year, Sesa Resources has received the certification on OHSAS 18001-2007 standard.

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Ecology and Social Development

Your Company remains focused on improving the ecology and the environment. Its mine reclamation efforts have significantly improved the bio-diversity of the working as well as reclaimed mines. Successful replication of proven biotechnologies for mine land reclamation has become an integral part of the Company's resource planning process.

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

Your company continued its focus on CSR activities with strong commitment in stakeholder engagement to understand the community needs. Company has associated with reputed CSR partners to implement CSR programs, notably among them Mineral Foundation of Goa, Government of Goa and so on.

5. DIRECTORS

Mr. S.L. Bajaj, Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

6. AUDITORS

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

7. SUBSIDIARY COMPANIES:

Statement regarding Subsidiary Companies as per the provisions of Section 212 of the Companies Act, 1956 is attached to this Report.

8. AWARDS

Your Company was awarded with the following prestigious awards during the year 2011-12

During the 23rd Mines Environment & Mineral Conservation Week your Company won several awards under the very large & medium mechanised mines category like:

- First prize in overall performance
- First prize in management of sub-grade mineral
- First prize in noise, vibration survey & other scientific studies
- First prize in waste dump management

Following awards were received by the company during the Mines Safety week under mechanised mines Group E -2011:

- First prize in publicity & propaganda for its Curpem mine
- Second prize in material preparation for its Columba mine
- Third prize in engineering aspects for its Columba mine

9. SAFETY

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

	2011 -2012	2010 -2011
FSI	1.961	0.149

10. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

- i. In the preparation of the annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. Selected accounting policies were applied consistently. Reasonable and prudent judgment and estimates were made to give a true and fair view of the state of affairs of the Company as on March 31, 2012, and of the profit/loss for the year ended on that date.
- iii. Proper and sufficient care has been taken in maintaining adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts of the Company have been prepared on a going concern basis.

11. EMPLOYEES

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

12. COMPLIANCE CERTIFICATE:

The Compliance Certificate issued by Mr.Sadashiv V. Shet, Company Secretary, in terms of section 383A, of companies Act 1956 is attached as Annexure-B, which forms a part of this report.

13. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place: Panaji, Goa
Dated: April 20, 2012

P. K. Mukherjee **S. L Bajaj**
Director Director

Annexure-A to Directors' Report

Information as per Section 217 (1) (e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2012.

A. CONSERVATION OF ENERGY

Fuel consumption and engine emission levels of the barge fleet, transport vehicles and earth moving equipment, together with the optimisation of electrical energy consumption in all activities, remains a focus area for the Company.

B. TECHNOLOGICAL ABSORPTION

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

Research and Development (R&D):

Nil

Technology Absorption, Adaptation and Innovation:

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

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

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

a) Improved mining efficiencies and product quality control.

b) Improvement in pollution control system.

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

d) Improved and sustainable resource and environment management.

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's major foreign exchange earnings and outgo are on account of export of iron ore, ocean freight and import of capital items payments respectively. During the year, foreign exchange earnings were ₹ 1,811.46 crore and outgo of ₹ 41.56 crore. Hence, the net foreign exchange earning was ₹ 1,769.90 crore.

For and on behalf of the Board of Directors

Place: Panaji, Goa

Dated: April 20, 2012

P. K. Mukherjee

Director

S. L. Bajaj

Director

Annexure-B to Directors' Report

COMPLIANCE CERTIFICATE

CIN: U13209GA1965PLC000030

Nominal Capital: ₹ 14,95,00,000/-

Paid up Capital : ₹ 12,50,00,000/-

To,

The Members,

M/S. SESA RESOURCES LIMITED

I have examined the registers, records, books and papers of M/S. SESA RESOURCES LIMITED as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31, 2012. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met FIVE times respectively on April 21, 2011, July 19, 2011, October 10, 2011, January 20, 2012 and March 16, 2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members or Debenture holders during the financial year.
6. The Annual General Meeting for the year ended on March 31, 2011 was held on July 21, 2011 after giving due notice to the members of the Company and other concerned and the resolutions passed thereat were duly recorded in Minute Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that Section.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has:
 - (i) There was no allotment/ transfer/ transmission of securities during the financial year.
 - (ii) declared interim dividend on 20th January, 2012 and paid on 25th January, 2012 without opening a separate Bank Account.
 - (iii) paid the dividend to the members within 30 (Thirty) days from the date of declaration.
 - (iv) There were no instances of unpaid dividends required to be transferred to Investor Education and Protection Fund.
 - (v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of director to fill casual vacancy has been duly made.
15. The Company has not appointed any Managing Director / Whole – time Director/ Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.

Sesa Resources Limited

21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the financial year.
25. The Company has given guarantee to other bodies corporate and in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was/ were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any moneys as security from its employees during the year.
33. The Company has deposited both employee's and employer's contribution to provident fund with prescribed authorities pursuant to section 418 of the Act.

Place: Panaji, Goa

Dated: April 20, 2012

SADASHIV.V.SHET

Company Secretary

C.P. NO.2540

ANNEXURE A

Sr. No.	Name of The Register	Applicable Section of the Companies Act
1.	Register of charges	143
2.	Register of members	150
3.	Copies of Annual Returns	163
4.	Minutes of Board of Directors meeting	193
5.	Minutes of General meeting	193
6.	Register of contracts, companies & firms in which the Directors are interested	301
7.	Register of Directors	303
8.	Register of Directors Shareholding	307
9.	Register of Share Transfers	108

ANNEXURE B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the year ended March 31, 2012.

Sr. No.	Document	Section	Particulars	Filing details
1.	Form No. 20B	159	Annual Return for the year ended 31.03.2011.	P70595293 19.09.2011
2.	Form No. 66	383A(1)	Compliance Certificate for the year ended 31.03.2011.	P78373131 07.11.2011
3.	Form No. 23AC - XBRL & 23ACA - XBRL	220 of the Companies Act, 1956 & Companies (Filing of documents and forms in eXtensible Business Reporting Language) Rules, 2011	Balance Sheet & Profit and Loss Account for the Financial Year ended 31.03.2011 in XBRL mode.	P81819724 30.11.2011
4.	Form No. 32	262	Appointment of Director for filling in casual vacancy.	B31692973 10.03.2012

Auditors' Report

To the Members of Sesa Resources Limited

1. We have audited the attached Balance Sheet of SESA RESOURCES LIMITED ("the Company") as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) we have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on March 31, 2012; and
 - (iii) in the case of the Cash Flow Statement of the cash flows for the year ended on March 31, 2012.
5. On the basis of written representations received from the directors as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 008072S)

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

Place: Panaji, Goa
Date: April 20, 2012

Annexure to the Auditors' Report

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

- (i) In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of the Company's inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not entered into any contract or arrangement with other parties, which needs to be entered in the Register maintained under section 301 of the Companies Act, 1956.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of Iron Ore and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2012 for a period of more than six months from the date they became payable.

- (c) There were no disputed dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2012.
- (x) The Company does not have any accumulated losses. The Company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any term loan from a financial institution or borrowed any sum against issue of debentures.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of paragraph 4(xii) of the Order are not applicable to the Company.
- (xiii) The Company is not a chit fund, nidhi, or a mutual benefit society.
- (xiv) According to the information and explanations given to us, the Company is not a dealer or trader in shares, securities or debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) According to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that, funds raised on short term basis have, not been used during the year for long term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) According to the information and explanations given to us, and the records examined by us, the Company has not issued any debentures that were outstanding at any time during the year.
- (xx) According to the information and explanations given to us, the Company has not raised any money by public issue during the year.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, we report that no material fraud on or by the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 008072S)

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

Place: Panaji - Goa
Date: April 20, 2012

Balance Sheet

as at March 31, 2012

₹ in crore

Particulars	Note	March 31, 2012	March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1.25	1.25
Reserves and surplus	4	1,630.06	1,415.98
		1,631.31	1,417.23
Non-current liabilities			
Long-term borrowings	5	7.16	12.50
Deferred tax liabilities (Net)	6	11.43	6.16
Other long term liabilities	7	-	0.05
Long-term provisions	8	3.68	2.71
		22.27	21.42
Current liabilities			
Short-term borrowings	9	127.89	-
Trade payables	10	116.32	96.10
Other current liabilities	11	16.32	24.39
Short-term provisions	12	145.93	19.67
		406.46	140.16
		2,060.04	1,578.81
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	13	172.28	114.33
Intangible assets	13	-	-
Capital work-in-progress	13	5.89	28.49
Non-current investments	14	1,227.61	80.03
Long-term loans and advances	15	52.36	8.02
		1,458.14	230.87
Current assets			
Current investments	16	308.21	1,037.08
Inventories	17	74.97	78.68
Trade receivables	18	106.46	185.83
Cash and cash equivalents	19	14.40	2.61
Short-term loans and advances	20	97.78	43.73
Other current assets	21	0.08	0.01
		601.90	1,347.94
		2,060.04	1,578.81
See accompanying notes forming part of the financial statements	1 - 43		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

C. R. Rajagopal
Partner

Place: Panaji - Goa
Date: April 20, 2012

For and on behalf of the Board of Directors

P. K. Mukherjee
Director

S. L. Bajaj
Director

Place: Panaji - Goa
Date: April 20, 2012

Statement of Profit and Loss

for the year ended March 31, 2012

₹ in crore

Particulars	Note	March 31, 2012	March 31, 2011
INCOME			
Revenue from operations		1,993.88	1,982.47
Less: Ocean freight		155.98	204.66
Net revenue from operations	22	1,837.90	1,777.81
Other income	23	35.49	37.60
Total revenue		1,873.39	1,815.41
EXPENSES			
Purchase of stock-in-trade		235.78	175.35
Changes in inventories of finished goods, work in progress and stock-in-trade	24	5.40	(37.93)
Employee benefits expense	25	41.92	33.33
Finance costs	26	12.31	0.97
Depreciation and amortisation expense	13	14.14	10.51
Other expenses	27	723.83	480.34
Total expenses		1,033.38	662.57
Profit Before Tax		840.01	1,152.84
Tax expense			
Current tax expenses for current year		256.75	375.02
Current tax expenses relating to prior years		-	(0.01)
Net current tax expenses		256.75	375.01
Deferred tax		5.26	2.23
Total tax expenses		262.01	377.24
PROFIT FOR THE YEAR		578.00	775.60
Earnings per equity share of ₹ 10 each Basic and diluted (₹)		4,624	6,205
See accompanying notes forming part of the financial statements	1 - 43		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

C. R. Rajagopal
Partner

Place: Panaji - Goa
Date: April 20, 2012

For and on behalf of the Board of Directors

P. K. Mukherjee
Director

S. L. Bajaj
Director

Place: Panaji - Goa
Date: April 20, 2012

Cash Flow Statement

for the year ended March 31, 2012

Particulars	₹ in crore	
	March 31, 2012	March 31, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	840.01	1,152.84
Adjustments for:		
Depreciation and amortisation	14.14	10.51
Finance costs	4.17	0.83
Interest income	(0.19)	(0.12)
Dividend income	(24.75)	(36.53)
Profit on sale of fixed assets (net)	(0.04)	(0.21)
Profit on sale of current investments (net)	(10.43)	(0.25)
Operating profit before working capital changes	822.91	1,127.07
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	3.71	(42.07)
Trade receivables	79.37	(146.50)
Short-term loans and advances	(37.05)	(23.32)
Long-term loans and advances	(0.42)	(1.53)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	20.22	14.55
Other current liabilities	0.05	2.13
Other long-term liabilities	(0.05)	-
Short-term provisions	0.24	0.41
Long-term provisions	0.97	0.59
	67.04	(195.74)
Cash generated from operations	889.95	931.33
Taxes paid	(293.00)	(383.29)
Net cash flow from / (used in) operating activities (A)	596.95	548.04
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(47.27)	(66.37)
Proceeds from sale of fixed assets	0.10	0.23
Movement in restricted deposits (Margin money)	0.11	-
(Purchase) / redemption of current investments	739.31	(509.98)
Purchase of long-term investments	(1,147.58)	-
Intercompany deposits placed	(46.20)	-
Interest received	0.12	0.12
Dividend received	24.75	36.53
Net cash flow from / (used in) investing activities (B)	(476.66)	(539.47)

Cash Flow Statement (contd.)

for the year ended March 31, 2012

Particulars	₹ in crore	
	March 31, 2012	March 31, 2011
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of long-term borrowings	(13.81)	(6.63)
Short-term borrowings (net)	127.89	-
Interest paid	(3.82)	(0.84)
Dividends and taxes paid there on	(218.64)	-
Net cash flow from / (used in) financing activities (C)	(108.38)	(7.47)
Net (decrease) / increase in Cash and cash equivalents (A+B+C)	11.91	1.10
Cash and cash equivalents at the beginning of the year	1.75	0.65
Cash and cash equivalents at the end of the year	13.66	1.75
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	14.40	2.61
Less: Restricted deposits (Margin money)	0.74	0.86
Cash and cash equivalents at the end of the year *	13.66	1.75
* comprises		
Cash on hand	0.01	0.00
Balances with banks		
On current account	13.65	1.71
On EEFC account	-	0.04
	13.66	1.75
Figures in brackets represent outflows		
See accompanying notes forming part of the financial statements (1-43)		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

C. R. Rajagopal
Partner

Place: Panaji - Goa
Date: April 20, 2012

For and on behalf of the Board of Directors

P. K. Mukherjee
Director

S. L. Bajaj
Director

Place: Panaji - Goa
Date: April 20, 2012

Notes forming part of the financial statements

as at and for the year ended March 31, 2012

1 COMPANY INFORMATION

Sesa Resources Limited (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 SIGNIFICANT ACCOUNTING POLICIES

i) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared on accrual basis under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

ii) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognised in the period in which the results are known /materialised.

iii) Inventories

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

iv) Cash flow statement

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

v) Depreciation and amortisation

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

- Vehicles, furniture and computers are depreciated at an annual rate of 20%, 10% and 30% respectively to bring in line with the useful life of the assets.
- Individual items of assets costing upto ₹ 5,000 are fully depreciated in the year of acquisition.

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

Intangible assets are amortised over their estimated useful life not exceeding a period of ten years.

vi) Revenue recognition

Sale of goods

Revenue is recognized when significant risks and rewards of ownership of the goods sold are transferred to the customer and the commodity has been delivered to the shipping agent/customer. Revenue represents the invoice value of goods and services provided to third parties net of discounts, sales taxes/value added tax and adjustments arising on analysis variances.

Income from services

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

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

Other income

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

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

vii) Tangible fixed assets

Fixed assets are carried at historical cost (exclusive of available Central and State VAT credit) less accumulated depreciation / amortisation and impairment losses, if any. Costs include expenses incidental to the installation of assets, attributable borrowing and financing costs incurred upto the date the asset is ready for its intended use.

Machinery spares

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

Capital work in progress

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

viii) Intangible assets

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

ix) Foreign currency transactions and translations

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Year end balances of monetary assets and liabilities are translated at the year end rates. Exchange differences arising on restatement or settlement are charged to the Statement of Profit and Loss.

x) Government grants subsidies and export incentives

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

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

xi) Investments

Long term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments, if any. Current investments are carried individually, at lower of cost and fair value.

xii) Employee benefits

Short term employee benefits

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

Long term employee benefits

Defined Contribution plans:

Provident fund:

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

Notes forming part of the financial statements

as at and for the year ended March 31, 2012

Superannuation fund:

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

Defined benefit plans:

Gratuity Fund:

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

Compensated absence:

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

xiii) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

xiv) Segment reporting

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

xv) Taxes on income

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

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

xvi) Impairment of assets

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

xvii) Provisions, contingent liabilities and contingent assets

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

Notes forming part of the financial statements

as at and for the year ended March 31, 2012

3. SHARE CAPITAL

Particulars	March 31, 2012		March 31, 2011	
	Number of Shares	₹ in crore	Number of Shares	₹ in crore
Authorised				
Equity shares of ₹ 10 each, with voting rights	14,950,000	14.95	14,950,000	14.95
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10 each fully paid up, with voting rights	1,250,000	1.25	1,250,000	1.25
Total	1,250,000	1.25	1,250,000	1.25

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

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10. The equity shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 1956.

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

Name of Shareholder	March 31, 2012		March 31, 2011	
	Number of Shares held	% holding	Number of Shares held	% holding
Sesa Goa Limited (Holding company)	1,250,000	100	1,250,000	100

4. RESERVES AND SURPLUS

Particulars	₹ in crore	
	March 31, 2012	March 31, 2011
General reserve		
Balance as at the beginning of the year	23.00	23.00
Add: Transferred from surplus balance in the Statement of Profit and Loss	75.00	-
Balance as at the end of the year	98.00	23.00
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	1,392.98	617.38
Add: Profit for the year	578.00	775.60
Less:		
Interim dividend	(187.50)	-
Proposed final dividend	(125.00)	-
Tax on dividends	(51.42)	-
Transfer to general reserve	(75.00)	-
Balance as at the end of the year	1,532.06	1,392.98
	1,630.06	1,415.98

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

5. LONG TERM BORROWINGS		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Term loans (Secured)			
From a bank	7.16	12.50	
Total	7.16	12.50	

The term loan is secured by a charge on vessel M.V. Goan Pride jointly held with another company. The above balance of loan is repayable in 8 quarterly instalments of US\$ 350,000 along with interest at 6 M LIBOR plus 1.75% p.a. The last instalment is due on March 31, 2014. Instalments falling due in next 12 months are included in Note 11.

6. DEFERRED TAX LIABILITIES (NET)		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Deferred tax liabilities:			
Depreciation allowance	14.14	8.10	
	14.14	8.10	
Deferred tax assets:			
Compensated absence	2.02	0.83	
Provision for doubtful debts	-	0.86	
Disallowances under 43B of the Income tax Act, 1961	0.69	0.25	
	2.71	1.94	
	11.43	6.16	

7. OTHER LONG TERM LIABILITIES		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Security deposits received	-	0.05	
Total	-	0.05	

8. LONG TERM PROVISIONS		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Provision for employee benefits			
Compensated absence	2.90	1.93	
Provision - Others			
Provision for mine closure	0.78	0.78	
Total	3.68	2.71	

9. SHORT TERM BORROWINGS		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Other loans and advances (Unsecured)			
Packing credit in foreign currencies from banks	127.89	-	
Total	127.89	-	

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

10. TRADE PAYABLES		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Other than acceptances			
Micro and small enterprises (Refer note 36)	-	-	
Others	116.32	96.10	
	116.32	96.10	
Trade payable others include:			
Accrued Payroll	3.24	4.47	
Accrued expenses	54.95	42.80	

11. OTHER CURRENT LIABILITIES		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Current maturities of long-term debt			
From banks	7.16	6.25	
From others	-	9.38	
Interest accrued but not due on borrowings	0.36	0.01	
Other payables			
Statutory deductions including withholding taxes	1.19	1.66	
Payables on account of fixed assets	2.98	5.43	
Trade and security deposits received	2.42	1.25	
Advances from customers	0.38	0.22	
Other deductions	0.31	0.17	
Gratuity	1.52	-	
Other liabilities	-	0.02	
Total	16.32	24.39	

12. SHORT TERM PROVISIONS		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Provision for employee benefits			
Compensated absence	0.56	0.41	
Provident fund	0.09	-	
Provision - Others			
Provision for income tax (net of advances)	-	19.26	
Proposed final dividend	125.00	-	
Tax on proposed final dividend	20.28	-	
Total	145.93	19.67	

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

13. FIXED ASSETS

Particulars	Gross block		Balance as at March 31, 2012	Depreciation / Amortisation		Net block		
	Balance as at April 1, 2011	Additions		Disposals	Balance as at April 1, 2011	For the year	Eliminated on disposal of assets	Balance as at March 31, 2012
Tangible assets								
Land	8.63	4.21	-	-	-	-	12.84	8.63
Road and bunders	2.96	0.33	-	0.34	0.05	-	2.90	2.62
Buildings	4.96	2.49	-	0.64	0.19	-	6.62	4.32
Plant and equipment	158.37	63.68	-	95.17	9.96	-	116.92	63.20
Furniture and fixtures	1.17	0.41	-	0.29	0.15	-	1.14	0.88
Vehicles	2.38	0.76	0.29	1.21	0.41	0.23	1.46	1.17
Office equipment	0.88	0.27	-	0.26	0.05	-	0.84	0.62
River fleet	9.95	-	-	8.53	0.13	-	1.29	1.42
Ship (Note a)	63.97	-	-	32.50	3.20	-	28.27	31.47
Total	253.27	72.15	0.29	138.94	14.14	0.23	152.85	114.33
Previous year	218.18	36.01	0.92	129.32	10.51	0.89	138.94	-
Intangible assets								
Computer software	0.82	-	-	0.82	-	-	0.82	-
Total	0.82	-	-	0.82	-	-	0.82	-
Previous year	0.82	-	-	0.82	-	-	0.82	-
Capital work-in-progress								
Total							5.89	28.49
Total							178.17	142.82

a. Represents 50% undivided interest in a Transhipper Vessel named "Goan Pride"

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

14. NON CURRENT INVESTMENTS		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Trade (at cost)			
Investment in equity instruments (unquoted)			
In a subsidiary company			
Sesa Mining Corporation Limited	80.01	80.01	
1,150,000 (Previous year 1,150,000) equity shares of ₹100 each fully paid-up			
Other than trade (at cost)			
Investment in equity instruments			
In other companies (quoted)			
Cairn India Limited	1,147.58	-	
32,700,000 (Previous year Nil) equity shares of ₹ 10 each fully paid-up			
In other companies (unquoted)			
Goa Infrastructural Development Company Private Limited	0.01	0.01	
5,000 (Previous year 5,000) equity shares of ₹ 10 each fully paid-up			
Goa Maritime Private Limited	0.01	0.01	
5,000 (Previous year 5,000) equity shares of ₹ 10 each fully paid-up			
In co-operative societies (unquoted)			
V.S.Dempo Surla Mine Staff Co-operative Credit Society Limited	0.00	0.00	
250 (Previous year 250) equity shares of ₹ 10 each fully paid-up [₹ 2,500 (Previous year ₹ 2,500)]			
V.S.Dempo Surla Mine Staff Consumer Co-operative Society Limited	0.00	0.00	
250 (Previous year 250) equity shares of ₹ 10 each fully paid-up [₹ 2,500 (Previous year ₹ 2,500)]			
Total	1,227.61	80.03	
Aggregate amount of quoted investments [market value of ₹ 1,091.85 crore (Previous year ₹ Nil)]	1,147.58	-	
Aggregate amount of unquoted investments	80.03	80.03	

15. LONG TERM LOANS AND ADVANCES		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Unsecured, considered good			
Capital advances	2.99	5.27	
Security deposits	0.36	0.37	
Loans and advances to related parties (Refer Note 38)			
Intercorporate deposits	46.20	-	
Others	0.27	0.39	
Prepaid expenses	2.54	1.51	
Other advances	-	0.48	
Total	52.36	8.02	

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

Particulars	₹ in crore	
	March 31, 2012	March 31, 2011
16. CURRENT INVESTMENTS		
Unquoted (at lower of cost and fair value)		
In mutual funds		
HDFC FMP 370D Jun10(2)-Dividend Payout Nil (Previous year 35,000,000) units	-	35.00
ICICI Prudential Blended Plan B Institutional Dividend Nil (Previous year 152,763,131) units	-	152.77
Kotak Quarterly Interval Plan Series 9 Nil (Previous year 22,513,642) units	-	22.52
Reliance Interval Fund quarterly Series I Nil (Previous year 39,929,724) units	-	40.00
Reliance Monthly Interval Fundseries I Inst Dividend Plan Nil (Previous year 91,973,648) units	-	92.00
Religare Fixed Maturity plan Series II Plan A (13 Months) Growth Nil (Previous year 40,000,000) units	-	40.00
Religare Fixed Maturity Plan Series II Plan B (15 Months) Growth Nil (Previous year 50,000,000) units	-	50.00
Kotak Floater Long Term Growth Nil (Previous year 4,764,220) units	-	7.43
Canara Robeco Treasury Advantage Fund Growth Nil (Previous year 45,514,774) units	-	67.56
ICICI Prudential Interval V Monthly Inst. Dividend Nil (Previous year 51,998,960) units	-	52.00
Tata Floater Fund Growth Nil (Previous year 6,202,762) units	-	9.10
Canara Robeco Floating rate ST Growth Nil (Previous year 25,008,922) units	-	38.02
Canara Robeco Floating Rate ST Daily Dividend Fund Nil (Previous year 38,986,355) units	-	40.00
UTI Fixed Income Interval Fund Monthly Interval Plan Series I Institutional Dividend Plan Nil (Previous year 74,993,251) units	-	75.00
UTI Fixed Interval Fund Monthly Interval Plan II Institutional Dividend Plan Nil (Previous year 39,988,004) units	-	40.00
IDFC savings Advantage Fund Plan A DD Nil (Previous year 1,506,603) units	-	150.68
IDFC Fixed Income maturity Monthly Series 30 Div Nil (Previous year 125,000,000) units	-	125.00
Birla Sun Life Cash Plus Instl Premium Daily Dividend Reinvestment 7,375,351(Previous year Nil) units	73.90	-
HDFC Cash Management Fund Savings Daily Dividend 12,418,618 (Previous year Nil) units	13.21	-
Kotak Liquid Institutional Premium Daily Dividend 32,485,633 (Previous year Nil) units	39.72	-

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

16. CURRENT INVESTMENTS (CONTD.)		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Reliance Liquidity Fund Daily Dividend Re-Investment 77,612,373 (Previous year Nil) units	77.65	-	
IDFC Cash Fund Daily Dividend 455,197 (Previous year Nil) units	45.53	-	
UTI Liquid Cash Plan Institutional Daily Income Option 490,901 (Previous year Nil) units	50.04	-	
ICICI Prudential Liquid Plan Super Institutional Plan Daily Dividend 816,090 (Previous year Nil) units	8.16	-	
Total	308.21	1,037.08	
Net asset value	308.21	1,037.08	

17. INVENTORIES		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
At lower of cost and net realisable value			
Finished goods			
Iron ore	63.49	68.89	
Consumables stores and spares	11.48	9.79	
	74.97	78.68	

18. TRADE RECEIVABLES		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Trade receivables outstanding for a period exceeding six months from the date they were due for payment			
Unsecured, considered good	3.65	0.21	
Doubtful	-	2.66	
	3.65	2.87	
Less: Provision for doubtful trade receivables	-	(2.66)	
	3.65	0.21	
Other trade receivables			
Unsecured, considered good	102.81	185.62	
Total	106.46	185.83	

19. CASH AND CASH EQUIVALENTS		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Cash on hand	0.01	0.00	
Balances with banks			
In current account	13.65	1.71	
In EEFC account	-	0.04	
In earmarked accounts			
Balances held as margin money	0.74	0.86	
Total	14.40	2.61	
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is	13.66	1.75	

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

20. SHORT TERM LOANS AND ADVANCES		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Unsecured, considered good unless otherwise stated			
Loans and advances to related parties	11.78	10.48	
Loans and advances to employees	0.10	0.04	
Prepaid expenses	3.43	2.71	
Balances with government authorities			
VAT credit receivable	2.17	1.57	
Service tax credit receivable	4.87	-	
Export duty receivable	26.26	5.40	
Service tax refund receivable	8.40	8.18	
Others	0.04	0.03	
Advance income tax (net of provision for income tax)	17.00	-	
Advances to suppliers	23.73	15.32	
Total	97.78	43.73	

21. OTHER CURRENT ASSETS		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Interest accrued on deposits	0.08	0.01	
Total	0.08	0.01	

22. REVENUE FROM OPERATIONS		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
a. Sale of products			
Sale of iron ore	1,967.63	1,932.78	
Less: Ocean freight	155.98	204.66	
Net Sales	1,811.65	1,728.12	
b. Sale of services			
Hire of transhipper	19.83	30.60	
Hire of barges and jetties	5.47	16.84	
	25.30	47.44	
c. Other operating revenues			
Sale of materials	0.95	2.25	
Total	1,837.90	1,777.81	

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

23. OTHER INCOME		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Interest			
on inter corporate deposits	0.07		-
on bank deposits	0.07		0.06
others	0.05		0.06
Dividend on current investments	24.75		36.53
Profit on sale of current investments (net)	10.43		0.25
Profit on sale of fixed assets (net)	0.04		0.21
Other non-operating income	0.08		0.49
Total	35.49		37.60

24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Inventories at the beginning of the year			
Finished goods - Ore	68.89		30.96
Inventories at the end of the year			
Finished goods - Ore	63.49		68.89
Net decrease/ (increase)	5.40		(37.93)

25. EMPLOYEE BENEFITS EXPENSE		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Salaries and wages	34.46		28.54
Contributions to provident and pension funds	1.77		1.20
Contributions to gratuity and annuity fund	3.55		1.22
Staff welfare expenses	2.14		2.37
Total	41.92		33.33

26. FINANCE COST		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Interest expense			
- Borrowings from banks	3.05		0.64
- Others	0.56		0.19
Other borrowing costs	0.66		0.14
Net loss on foreign currency transactions and translation in respect of borrowings (represents exchange differences arising from foreign currency borrowings to the extent regarded as an adjustment to interest cost)	8.04		-
Total	12.31		0.97

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

Particulars	₹ in crore	
	March 31, 2012	March 31, 2011
Consumption of stores and spare parts	38.50	32.94
Repairs and maintenance		
Plant and machinery	4.19	9.51
Buildings	2.16	8.77
Others	27.05	28.25
Contractors for hired trucks and other services	94.98	88.50
Hire of barges	24.93	27.81
Wharfage, tonnage, handling and shipping expenses	28.20	25.23
Rent	1.88	0.39
Royalty and cess	24.54	42.05
Rates and taxes	0.27	0.65
Insurance	3.74	2.74
Power and fuel	3.42	3.12
Water charges	0.20	0.13
Indemnization for damages	0.57	5.15
Payments to auditors		
as Auditors - statutory audit	0.11	0.10
for other services	0.08	0.09
reimbursement of expenses	0.00	0.00
Travelling expenses	1.22	2.24
Professional and legal charges	4.70	5.89
Bad debts and advances written off	-	0.03
Export duty	429.90	145.93
Demurrage over despatch	11.49	31.83
Testing and analysis expenses	1.02	1.19
Net loss on foreign currency transactions and translations	14.00	2.64
Miscellaneous expenses	6.68	15.16
Total	723.83	480.34

28. During the year the Company has acquired 32,700,000 equity shares in Cairn India Limited ("CIL") representing 1.70% of the equity share capital in CIL. Further Sesa Goa Limited, the parent of the Company has acquired 18.5% of the equity share capital of CIL. Accordingly, with effect from 8th December, 2011, CIL has become an associate company of the parent.

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

29. CONTINGENT LIABILITIES		₹ in crore	
		March 31, 2012	March 31, 2011
i)	Guarantees issued by the bankers in favour of various parties (excluding the liability for which provisions have been made)	4.11	2.41
ii)	Letters of Credit opened by the banks in favour of suppliers	-	0.80
iii)	Bonds executed in favour of customs authorities in respect of export of iron ore	573.53	180.21
iv)	Bills discounted under letters of credit with banks	343.46	38.05
v)	Disputed income tax demand*	116.92	33.86
vi)	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)	36.19	29.26
vii)	Corporate guarantees given to banks and others on behalf of the wholly owned subsidiary	12.53	8.76
viii)	Disputed marine claims*	13.57	13.57
ix)	Bonds executed in favour of customs for import against duty credit certificate issued under Target Plus Scheme	7.61	7.61

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

* The claims if finally determined as payable will be reimbursed by the erstwhile shareholders pursuant to Share Purchase Agreement dtd.11.06.2009.

30. COMMITMENTS		₹ in crore	
		March 31, 2012	March 31, 2011
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	3.13	61.24

31. DETAILS OF FINISHED GOODS & TRADED GOODS		₹ in crore	
Particulars	Sales value	Opening Inventory	Closing Inventory
Finished goods			
Iron ore	1,575.87	68.89	63.49
	(1,552.78)	(30.96)	(68.89)
Traded goods			
Iron ore	235.78	-	-
	(175.34)		

(Figures in brackets relate to previous year)

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

32. CIF VALUE OF IMPORTS		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Components and spare parts	3.22	3.63	
Capital goods	13.17	26.79	

33. CONSUMPTION OF STORES AND SPAREPARTS		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Imported 0.34% (Previous year 0.33%)	0.13	0.11	
Indegenous 99.66% (Previous year 99.67%)	38.37	32.83	

34. EXPENDITURE INCURRED IN FOREIGN CURRENCY		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Testing and analysis expenses	1.02	1.19	
Travelling expenses	0.08	0.03	
Demurrage	11.49	31.83	
Ocean freight	155.98	204.66	
Insurance	0.99	1.44	
Interest on foreign currency loan	3.05	0.64	
Repairs & Maintenance - ship	8.24	5.34	
Miscellaneous expenses	0.31	-	

35. EARNINGS IN FOREIGN CURRENCY		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
FOB value of exports	1,811.46	1,688.01	

36. Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

37. EMPLOYEE BENEFITS OBLIGATIONS:

Defined benefit plans

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

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

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

Particulars	₹ in crore	
	March 31, 2012	March 31, 2011
Fair value of plans assets	5.30	5.70
Present value of defined benefit commitment (Liability)/Asset recognised in the Balance Sheet	(6.82)	(4.89)
	(1.52)	0.81
Defined benefit commitment		
Balance at beginning of the year	4.89	4.67
Current service cost	0.27	0.25
Benefits paid	(0.92)	(0.94)
Interest cost	0.39	0.37
Actuarial (gains)/losses	2.19	0.54
Balance at end of the year	6.82	4.89
Changes in fair value of plan assets		
Balance at beginning of the year	5.70	6.18
Contribution made	0.04	-
Benefits paid	(0.92)	(0.94)
Return on scheme assets	0.48	0.46
Actuarial gains/(losses)	-	-
Balance at end of the year	5.30	5.70

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

Particulars	₹ in crore	
	March 31, 2012	March 31, 2011
Return on plan assets		
Expected return on plan assets	0.48	0.46
Actuarial gain/(loss)	-	-
Actual return on plan assets	0.48	0.46

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

Particulars	₹ in crore	
	March 31, 2012	March 31, 2011
Current service cost	0.27	0.25
Actuarial (gains) /losses	2.19	0.54
Expected return on plan assets	(0.48)	(0.46)
Direct payments	0.01	-
Interest cost	0.39	0.37
Total expense recognised in the Statement of Profit and Loss	2.38	0.70

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

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

	₹ in crore	
	March 31, 2012	March 31, 2011
Return on plan assets		
Rate on discounting liabilities	8.00%	8.00%
Expected salary increase rate	7.50%	5.00%
Expected rate of return on scheme assets	9.30%	8.00%
Withdrawal rates	1.50%	1% - 3%
Mortality rates	LIC (1994-96) Ultimate Table	LIC (1994-96) Ultimate Table

The estimates of future salary increases considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors on long term basis.

	₹ in crore			
Particulars	2011-12	2010-11	2009-10	2008-09
Experience adjustment				
Present value of commitment	6.83	4.89	4.67	5.44
Fair value of the plans	5.30	5.70	6.18	6.03
Surplus / (deficit)	(1.52)	(0.81)	(1.51)	(0.59)
Experience adjustment on plan liabilities	(1.27)	(0.43)	(0.91)	0.30
Experience adjustment on plan assets	(0.79)	(0.82)	0.08	0.07

The contributions expected to be made by the company during the financial year 2012-13 are ₹ 1.52 crores.

Defined Contribution Plans:

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

A sum of ₹ 2.94 crore (Previous year ₹ 1.72 crore) has been charged to the Statement of Profit and Loss in this respect, the components of which are tabulated below:

	₹ in crore	
Particulars	March 31, 2012	March 31, 2011
Provident fund and family pension fund	1.77	1.20
Superannuation fund	1.17	0.52
	2.94	1.72

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

Based on a Guidance Note from The Institute of Actuaries - Valuation of Interest Guarantees on Exempt Provident Funds under AS 15(Revised 2005) for actuarially ascertaining such interest liability, the interest shortfall that is required to be met by the Company as at March 31, 2012 is ₹ 0.09 crore, which has been provided for in the books.

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

38. RELATED PARTY DISCLOSURES

A. Names of the related parties and their relationships:

- i) **Holding Company**
Sesa Goa Limited
- ii) **Ultimate holding company and its intermediaries**
Ultimate Holding company
Vedanta Resources Plc
Intermediaries
Finsider International Company Limited
Twin Star Holdings Limited
Westglobe Limited
- iii) **Subsidiary of the Company**
Sesa Mining Corporation Limited
- iv) **Fellow subsidiaries**
(with whom transactions have taken place during the year)
Sterlite Industries (India) Limited
Hindustan Zinc Limited
Goa Energy Private Limited (from 2nd March 2012)
- v) **Jointly Controlled Entity:**
Goa Maritime Private Limited

B. Transactions with related parties:

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

₹ in crore					
Name of Related Party	Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries	Jointly Controlled Entity
1) Sales and Services					
Sesa Goa Limited	Services rendered	36.88 (53.73)			
Sesa Mining Corporation Limited	Sales and services		- (0.15)		
2) Purchase and Other services					
Sesa Goa Limited	Services received	21.98 (36.40)			
Sesa Mining Corporation Limited	Purchase of ore		235.78 (153.91)		
Sterlite Industries (India) Limited	Administration expenses			0.87 (2.00)	

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

					₹ in crore
Name of Related Party	Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiaries	Jointly Controlled Entity
Hindustan Zinc Limited	Administration expenses			0.02 (0.14)	
Goa Maritime Private Limited	Services received				10.28 (9.80)
3) Interest Received					
Goa Maritime Private Limited	Interest on loan				0.04 (0.05)
Goa Energy Private Limited	Interest on Inter Corporate Deposit			0.07 (-)	
4) Finance given (including loans and equity)					
Goa Energy Private Limited	Inter Corporate Deposit placed			46.20 (-)	
5) Outstanding receivables					
Sesa Mining Corporation Limited			11.66 (10.37)		
Goa Maritime Private Limited - on loan account					0.39 (0.50)
Goa Energy Private Limited				46.27 (-)	
6) Outstanding payables					
Sesa Goa Limited		4.46 (9.69)			
Sterlite Industries (India) Limited				0.06 (0.23)	
Hindustan Zinc Limited				- (0.01)	
Goa Maritime Private Limited					0.54 (0.29)

(Figures in brackets relate to previous year)

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

39. EARNINGS PER SHARE:

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Profit after tax (₹ in crore)	578	776
Weighted average no. of equity shares	1,250,000	1,250,000
Nominal value of each equity shares	₹ 10	₹ 10
Basic earnings per share (in ₹)	4,624	6,205

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

The present mine closure provision at March 31, 2012 is as under:

₹ in crore

Nature of obligation	March 31, 2012	March 31, 2011
Provision for mine closure		
Opening carrying amount	0.78	0.65
Additional provision made during the year	-	0.13
Amount used during the year	-	-
Unused amount reversed during the year	-	-
Closing carrying amount	0.78	0.78

41. FOREIGN CURRENCY EXPOSURES:

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

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

Particulars	March 31, 2012		March 31, 2011	
	₹ in crore	Fx million	₹ in crore	Fx million
Trade receivables	99.72	USD 19.49	183.18	USD 41.024
Advances to Suppliers				
	0.16	USD 0.031	0.59	USD 0.132
	0.39	EUR 0.058	1.09	EUR 0.172
	-	-	0.04	GBP 0.005
	-	-	0.18	SGD 0.051
Bank balance	-	-	0.04	USD 0.010

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

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

Particulars	March 31, 2012		March 31, 2011	
	₹ in crore	Fx million	₹ in crore	Fx million
Trade payables	38.64	USD 7.55	23.13	USD 5.18
	0.16	JPY 2.64	0.41	JPY 7.60
	0.13	GBP 0.02	0.00	GBP 0.00
	0.28	AUD 0.05	0.25	AUD 0.05
Foreign currency loan payable & interest thereon	142.57	USD 27.87	28.14	USD 6.30

Footnote: Fx = Foreign currency; USD = US Dollar; JPY= Japanese Yen; GBP = Great Britain Pound; EUR=EURO; SGD= Singapore Dollar; AUD= Australian Dollar

42. DISCLOSURE REGARDING JOINTLY CONTROLLED ASSETS - MV GOAN PRIDE

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Jointly controlled asset - Net Book Value	28.27	31.46
Liabilities	14.32	18.75
Expenses incurred	31.00	29.73
Income recognised	12.92	19.44

43. The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have accordingly been regrouped / reclassified, to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Place: Panaji, Goa
Dated: April 20, 2012

P. K. Mukherjee
Director

S.L Bajaj
Director

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

Sr. No.	Particulars	Sesa Mining Corporation Limited
1.	Financial years of the Subsidiary Company ended on	March 31, 2012
2.	Shares of the Subsidiary Company held on the above date and extent of holding	
	a) Equity Shares	1,150,000
	b) Extent of Holding	100%
3.	The net aggregate amount of the Subsidiaries profit/(loss) so far as it is concerned with the members of the Sesa Goa Limited	
	i) Not dealt within the holding company's accounts	
	a) For the financial year of the Subsidiary	37.89
	b) For the previous financial years of the Subsidiary/since it became the Holding company's subsidiary	25.44
	ii) Dealt within the holding company's accounts	
	a) For the financial year of the Subsidiary	Nil
	b) For the previous financial years of the Subsidiary/since it became the Holding company's subsidiary	Nil
4.	Material changes, if any between the end of the financial year of the subsidiary company and that of the Holding Company	NA
5.	Additional information on Subsidiary Companies	
	Share Capital	11.50
	Share Application Money Pending Allotment	-
	Reserves	150.63
	Total Assets	235.44
	Total Liabilities	235.44
	Investment(except incase of investment in subsidiaries)	-
	Turnover	236.29
	Profit before Taxation	56.08
	Provision for Taxation	18.19
	Profit after Taxation and write back	37.89
	Interim/Proposed final Dividend (including Dividend Distribution Tax thereon)	-