

Sesa Resources Limited

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 47th Annual Report of the Company together with the Audited Statements of Account for the financial year ended March 31, 2013. This report, therefore, is drawn for the Company on a stand-alone basis.

1. Financial Results

Particulars	₹ in crore	
	2012 -13	2011 - 12
Profit before Depreciation & Taxes	115.57	854.15
Less: a) Depreciation	24.31	14.14
b) Provision for Taxes		
Current	23.57	256.75
Deferred	(1.08)	5.26
Tax relating to earlier years	(0.02)	-
Profit after Tax	68.79	578.00
Add: Surplus brought forward from previous year	1,532.06	1,392.98
Transfer from Investment Fluctuation Reserve	-	-
Amount available for appropriation	1,600.85	1,970.98
Less: Appropriations :		
a) Interim Dividend	-	187.50
b) Proposed Final Dividend	-	125.00
c) Corporate Dividend Tax	(0.72)	51.42
d) General Reserve	-	75.00
Balance Carried Forward	1,601.57	1,532.06

2. Dividend

With a view to conserve resources for future operations, your Directors do not recommend any dividend for the financial year ended March 31, 2013.

3. Business Performance

During the year, your Company faced significant external challenges, unprecedented in its history. In September / October 2012, the iron ore mining operations in Goa were brought to a complete halt by an abrupt imposition of ban on mineral extraction and transportation by the State Government and subsequently by Honourable Supreme Court of India.

The parent company has filed an application before the Supreme Court seeking modification or vacation of the aforesaid order. The hearing in the Court is yet to commence effectively.

In 2012-13, the volumes declined significantly from 3.76 million tonnes in 2011-12 to 0.75 million tonnes in 2012-13.

Spot prices witnessed a significant drop from August due to drop in demand reaching a low of \$83/t (63% Fe

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

Driven by the low volume due to cessation of operations for major part of the year, the sales revenue decreased from ₹ 1,811.65 crore in 2011-12 to ₹ 352.76 crore in 2012-13. The Company posted a profit of ₹ 68.79 crore in 2012-13 as against a profit of ₹ 578 crore in 2011-12. The decline is mainly due to loss of volume coupled with impact of increase in export duty.

4. Outlook

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

As far as the Overall Iron Ore market is concerned, the theme of the emerging market super cycle remains unchanged on the demand front notwithstanding temporary glit ount of Supply disruptions from regulatory events such as in India, weather related disruptions such as in Australian ports; continued structural challenges from Cost inflations & grade depletion and large uncertainty of project timelines and cost blowouts. However, in the longer term, prices are forecast to be under pressure as and when supply picks up with several new investments coming on stream.

5. Certification

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

Surla Mine and SBT Plant have been certified for implementing "5S Workplace Management System" from Quality Circle Forum of India, Hyderabad.

6. 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.

7. 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.

8. Directors

Mr. Arun Kumar Rai, Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offer him-self for re-appointment.

9. 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.

10. Subsidiary Companies

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

11. Awards

During the year, your Company participated in various awards through our group company Sesa Goa which has won several accolades in various categories from Quality, Innovation (RFID), Community and Environment.

12. Safety

The safety performance for the Financial Year 2012-2013 is as under:

Particulars	2012 -13	2011 - 12
FSI	0.039	1.961
LTIFR	0.470	2.080

FSI - Frequency Severity Incidence.

LTIFR - Lost Time Injury Frequency Rate

13. 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 judgement and estimates were made to give a true and fair view of the state of affairs of the Company as on

March 31, 2013, 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.

14. Particulars of Employee – U/S 217(2A)

A statement giving prescribed information relating to employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are given in Annexure-B attached hereto and form part of this report.

15. 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-C, which forms a part of this report.

16. 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 Limited recognises and appreciates the cooperation and support from its holding Company Sesa Goa Limited.

For and on behalf of the Board of Directors

Place: Panaji - Goa
Date: April 23, 2013

P. K. Mukherjee
Director

S. L. Bajaj
Director

Annexure - A to Directors' Report

Information as per Section 217 (1) (e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2013.

A. Conservation of Energy

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

Various innovative initiatives undertaken for enhancement of ecology have been detailed elsewhere above.

2. Benefits derived as a result of the above efforts are inter alia:
 - a) Improved mining efficiencies and product quality control.
 - b) Improvement in pollution control system.
 - c) New design of coke ovens with better combustion control and improved conservation of heat energy.
 - d) Improved and sustainable resource and environment management.
3. On completion of the research project conducted in association with the 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 and ocean freight and import of capital items payments respectively. During the year, foreign exchange earnings were ₹ 352.76 crore and outgo ₹ 9.93 crore. Hence, the net foreign exchange earning was ₹ 342.83 crore.

For and on behalf of the Board of Directors

Place: Panaji - Goa
Date: April 23, 2013

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

Annexure - B to Directors' Report

Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forming part of the Directors Report for the year ended March 31, 2013

Sr. No.	Name of the Employee	Designation/ Nature of Duties	Gross Remuneration (₹. In Crores)	Qualification	Experience In Years	Date of Commencement of Employment	Age of the Employee (Years)	Last Employment held before joining the Company
1	2	3	4	5	6	7	8	9
A	Employed throughout the financial year		NIL					
B	Employed for part of the financial year							
1	Ponjekar Rayu S	Plant Engineer	0.69	BE (Electrical)	27	10-09-1984	49	-
2	Dhamaskar Raghuvir V	Sr. Plant Engineer	0.56	BE (Mechanical)	29	27-09-1982	54	-
3	Bale Prashant G	Sr. Plant Engineer	0.55	BE (Mechanical)	29	18-04-1983	54	Sesa Goa Ltd.
4	Aldonkar Laximan L.	Dy. Manager (Maintenance)	0.54	Diploma (Mechanical)	26	01-07-1985	52	V. M. Salgaonkar & Bros. Pvt. Ltd. Tatodi Mine
5	Lotlikar Dinesh E	Plant Engineer	0.53	B.E. (Mechanical)	30	04-01-1982	53	-
6	Rapose Olivio M	Assistant Mines Manager	0.40	Diploma (Mining & Mines Survey)	26	13-01-1986	49	Hindustan Copper Ltd.
7	Naik Pramod V	AM - Finance	0.35	B.Com	28	17-05-1984	51	SES Night High School, Curchorem
8	Virmodkar Arjun G	AM - Personnel	0.35	B.Com., Diploma (Personnel Management & IR)	25	06-10-1986	49	Photophone Industries (India) Ltd Mapusa
9	Bhat Pradeep P	AM - Mining	0.33	Diploma (Mining)	24	20-01-1988	46	-
10	Naik Ramesh K	Fitter	0.27	ITI	31	12-01-1981	53	-
11	Gauns Deelip M	Sr.Officer - PA	0.27	B.A	27	25-10-1984	50	M/s.Indo Swiss Jewels Ltd. - Mapusa
12	Patil Suresh G	AM - Electrical	0.26	Diploma (Electrical)	17	01-06-1994	45	M/s.D.B.Bandodkar & sons Pvt Ltd - Veiguem
13	Sankhalkar Sanjay T	Dy. Manager (Plants)	0.26	Diploma (Mechanical)	8	01-11-2003	49	M/s.Chowgule & Co.Pvt.Ltd - Pale
14	Mascarehnas Rosario	AM - Laboratory	0.24	B.Sc.	30	02-09-1981	55	-
15	Gaitonde Shekhar M	Deputy Manager - IT	0.22	B.Com, Diploma(Systems Management)	28	01-03-1984	56	M/S Chowgule & Co.Pvt.Ltd, Mormugao Harbour.
16	Paraganve Appasaheb D	AM - Electrical	0.22	Diploma (Electrical)	16	02-01-1996	45	V.G. Keni Mine Sonshi
17	Kapadi Pradip B	Sr. Sampler	0.21	HSSC (Commerce)	29	09-06-1982	52	-
18	Raikar Nandakishor C	Sr. Officer - Purchase	0.21	B.Com	27	16-08-1984	54	M/s Goa Antibiotics & Pharmaceuticals Ltd., Panaji.
19	Vaingankar Ganesh A	Electrician	0.21	HSSC, ITI	33	21-01-1979	46	Polyplast Industry
20	Anurlekar Santosh S	AM - Law	0.21	B.A., LLB & LL.M. Diploma (Personnel Management & IR)	18	04-05-1994	43	Atlantic Shipping Pvt. Ltd., Vasco.
21	Lotlikar Bhasker P	Sr. Sampler I	0.20	B.Com	31	17-10-1980	53	-
22	Devidas Pradeep C	Sr. Officer - Mining	0.18	Diploma (Mining)	19	27-10-1992	46	-
23	D'Cunha Clement	Sr. Computer Operator	0.17	Diploma (Commercial Correspondence)	26	01-03-1986	48	Photopone Ltd., Mapusa

Annexure - B to Directors' Report (Contd.)

Particulars of Employees pursuant to Section 217(zA) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forming part of the Directors Report for the year ended March 31, 2013

Sr. No.	Name of the Employee	Designation/ Nature of Duties	Gross Remuneration (₹. In Crores)	Qualification	Experience In Years	Date of Commencement of Employment	Age of the Employee (Years)	Last Employment held before joining the Company
1	2	3	4	5	6	7	8	9
A	Employed throughout the financial year							
B	Employed for part of the financial year							
24	Pednekar Vaidhyanath M	AM - VHF Communication	0.16	B.A. Diploma (E&C), Diploma (Buss Mgmt)	13	26-04-1999	46	Goan Gadgets Pvt. Ltd. Ponda
25	Paushe Sanjay	Mechanic	0.14	ITI (Diesel Mechanic)	30	17-12-1981	52	-
26	Ekawade Ravindra R	Jr. Officer	0.14	HSSC (Science)	23	09-10-1988	55	Photophone Co. Mapusa
27	Navelkar Sharad	Wheel Loader III	0.13	Std IX	23	02-05-1989	51	-
28	Kantak Vinayak G	Plant Engineer	0.13	BE (Mechanical)	5	20-11-2006	45	Gammon India Ltd.
29	Almeida Ethel	Officer - Purchase	0.12	B.A., Diploma (Shorthand)	39	07-05-1973	56	Bridger & Harris, Kampala-Uganda
30	Pinto Edwin F	Helper II	0.12	Std VIII	29	20-09-1982	48	-
31	Naik Dasharath	Lab-Boy	0.10	Std VI	35	16-07-1976	58	-
32	Amonkar Rohidas	Truck Driver-II	0.10	Std IV	29	20-09-1982	52	-
33	Naik Suresh V	Sr. Operator Cum Sampler	0.08	SSC	31	04-01-1980	58	-
34	Parrikar Sujay	Sr. Manager - Mines	0.07	Diploma (Mining & Mines Survey), 1st Class Managers Certificate of Competency	8	28-06-2012	45	Sesa Goa Ltd.
35	Rege Dilip M	AGM - Quality Assurance	0.06	B.Sc.	3	01-11-2008	58	SGS India Pvt. Ltd.

Notes:

- 1 Remuneration as shown above includes Salary, House Rent Allowance, Performance Pay, Company's Contribution to Provident Fund & Annuity Fund, Leave Assistance and expenditure by the Company on accommodation, Travel medical and other facilities, wherever applicable, as per contracts of service and payments under Voluntary Retirement Scheme. In addition the employees are entitled to Gratuity and they are also covered under Group Personal Accident Insurance Policy.
- 2 None of the employees mentioned above is a relative of any Director of the Company.
- 3 The nature of employment is contractual.
- 4 No employee holds by himself or alongwith his/her spouse and dependent children, two percent or more equity shares of the Company.

For and on behalf of the Board of Directors

Place: Panaji
Date: April 23, 2013

P. K. Mukherjee
Director

S. L. Bajaj
Director

Annexure - C to Directors' Report

COMPLIANCE CERTIFICATE

CIN: U13209GA1965PLC000030

Nominal Capital: ₹ 14,95,00,000/-

Paid up Capital: ₹ 12,500,000/-

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, 2013. 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 FOUR times respectively 20.04.2012, 20.07.2012, 20.10.2012 and 17.01.2013 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, 2012 was held on May 25, 2012 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) no allotment/ transfer/ transmission of securities during the financial year.
 - (ii) declared final dividend for the year March 31, 2012 on May 25, 2012 and deposited the amount on May 29, 2012 without opening a separate Bank Account which is within 5 days from the date of declaration of such Dividend.
 - (iii) paid final dividend on May 29, 2012 to all the members which is within a period of 30 (Thirty) days from the date of declaration and there being no unclaimed/ unpaid dividends remaining transfer thereof to unpaid dividend account of the Company.
 - (iv) no instances of unpaid dividends required to be transferred to Investor Education and Protection Fund.
 - (v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Directors, additional Directors, alternate Directors and Directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director / Wholetime 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.
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 2013.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made 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 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 money 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

Date: April 23, 2013

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, 2013.

Sr. No.	Document	Section	Particulars	Filing details	
				Receipt	Date
1.	Form No. 20B	159	Annual Return for the year ended 31.03.2012.	P88124797	24.07.2012
2.	Form No. 66	383A(1)	Compliance Certificate for the year ended 31.03.2012.	P88314703	09.08.2012
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 31.03.2012 in XBRL mode.	Q03700168	30.11.2012
4.	Form No. 32	262	Appointment of Secretary.	B40335390	01.06.2012

Independent Auditors' Report to the members of Sesa Resources Limited

REPORT ON THE FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the Directors as on March 31, 2013 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013 from being appointed as a Director in terms of Section 274(l)(g) of the Act.

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

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

Place: Chennai
Date: April 23, 2013

Anexure to the Independent Auditors' Report

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

- (i) In respect of the Company's fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a 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 need 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 cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. We have been informed that no sums were payable in respect of Investor Education and Protection Fund, Sales Tax and Excise Duty.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.

- (c) There were no disputed dues of Income-tax, Wealth Tax, Service Tax, Custom Duty and Cess which have not been deposited as on March 31, 2013 except the following:

Statute	Nature of Dues	Forum Where Dispute is Pending	Period to which the Amount relates	Amount involved (₹ in crore)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeal)	AY 2010-11	19.91

- (x) The Company does not have any accumulated losses and the Company has not incurred cash losses during the financial year covered by our audit 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 loans from financial institutions or borrowed any sums 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 Company has not taken any term loans during the year.
- (xvii) In our opinion and 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, *prima facie*, 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, 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, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

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

Place: Chennai
Date: April 23, 2013

Balance Sheet as at March 31, 2013

₹ in crore

Particulars	Note	March 31, 2013	March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' fund			
Share capital	3	1.25	1.25
Reserves and surplus	4	1,699.57	1,630.06
		1,700.82	1,631.31
Non-current liabilities			
Long-term borrowings	5	-	7.16
Deferred tax liabilities (Net)	6	10.35	11.43
Long-term provisions	7	0.80	0.78
		11.15	19.37
Current liabilities			
Short-term borrowings	8	-	127.89
Trade payables	9	37.45	116.32
Other current liabilities	10	36.00	16.32
Short-term provisions	11	3.03	148.83
		76.48	409.36
Total		1,788.45	2,060.04
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	160.01	172.28
Intangible assets	12	1.28	-
Capital work-in-progress		12.82	5.89
Non-current investments	13	1,227.61	1,227.61
Long-term loans and advances	14	56.18	69.36
		1,457.90	1,475.14
Current assets			
Current investments	15	37.82	308.21
Inventories	16	132.59	74.97
Trade receivables	17	4.42	106.46
Cash and cash equivalents	18	0.43	14.40
Short-term loans and advances	19	155.01	80.78
Other current assets	20	0.28	0.08
		330.55	584.90
Total		1,788.45	2,060.04
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: Chennai
Date: April 23, 2013

For and on behalf of the Board of Directors

P. K. Mukherjee
Director

Place: Panaji - Goa
Date: April 23, 2013

S. L. Bajaj
Director

Tina Lakhani
Company Secretary

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

₹ in crore			
Particulars	Note	March 31, 2013	March 31, 2012
INCOME			
Revenue from operations		403.59	1,993.88
Less: Ocean freight		38.12	155.98
Net revenue from operations	21	365.47	1,837.90
Other income	22	39.58	35.49
Total		405.05	1,873.39
EXPENSES			
Purchase of stock-in-trade		77.14	235.78
Changes in inventories of finished goods, work in progress and stock-in-trade	23	(53.43)	5.40
Employee benefits expense	24	32.53	41.92
Finance costs	25	5.32	12.31
Depreciation and amortisation expense	12	24.31	14.14
Other expenses	26	220.85	723.83
Total		306.72	1,033.38
Profit before exceptional items and tax		98.33	840.01
Exceptional item	27	7.07	-
Profit before tax		91.26	840.01
Less: Tax expense			
Current tax		23.57	256.75
Prior year tax		(0.02)	-
Deferred tax		(1.08)	5.26
		22.47	262.01
Profit for the year		68.79	578.00
Earnings per equity share of ₹ 10 each			
Basic		550.35	4,624.00
Diluted	38	550.35	4,624.00
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: Chennai
Date: April 23, 2013

For and on behalf of the Board of Directors

P. K. Mukherjee
Director

Place: Panaji - Goa
Date: April 23, 2013

S. L. Bajaj
Director

Tina Lakhani
Company Secretary

Cash Flow Statement for the year ended March 31, 2013

₹ in crore

Particulars	March 31, 2013	March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	91.26	840.01
Adjustments for:		
Depreciation and amortisation expense	24.31	14.14
Finance costs	1.17	4.17
Interest income	(4.19)	(0.19)
Dividend income	(26.80)	(24.75)
Profit on sale of fixed assets (net)	(0.84)	(0.04)
Profit on sale of current investments (net)	(0.00)	(10.43)
Net unrealised exchange loss/(gain)	0.45	(0.62)
Operating profit before working capital changes	85.36	822.29
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(57.62)	3.71
Trade receivables	102.04	79.37
Short-term loans and advances	(35.61)	(37.05)
Long-term loans and advances	0.70	(0.54)
Other current assets	(0.17)	-
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(78.87)	20.22
Other current liabilities	19.59	0.05
Other long-term liabilities	-	(0.05)
Short-term provisions	(0.52)	1.21
Long-term provisions	0.02	-
	(50.44)	66.92
Cash generated from operations	34.92	889.21
Income Taxes paid	(32.44)	(293.00)
Net cash flow from / (used in) operating activities (A)	2.48	596.21
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Capital expenditure on fixed assets, including capital advances	(45.27)	(47.27)
Proceeds from sale of fixed assets	0.88	0.10
Movement in restricted deposits (Margin money)	0.45	0.11
Purchase of current investments	(835.38)	(3,671.11)
Redemption of current investments	1,105.78	4,410.43
Purchase of long-term investments		
Associates	-	(1,147.58)
Inter corporate deposits placed	-	(46.20)
Inter corporate deposits refunded	7.58	-
Advances repaid	0.12	0.11
Interest received	4.16	0.12
Dividend received	26.80	24.75
Net cash flow from / (used in) investing activities (B)	265.12	(476.54)

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

₹ in crore

Particulars	March 31, 2013	March 31, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of long-term borrowings	(7.16)	(15.63)
Proceeds from short term borrowing	-	278.33
Repayment of short-term borrowings	(127.89)	(148.00)
Finance costs	(1.52)	(3.82)
Dividends and taxes paid there on	(144.55)	(218.64)
Net cash flow (used in) / from financing activities (C)	(281.12)	(107.76)
Net (decrease) / increase in Cash and cash equivalents (A+B+C)	(13.52)	11.91
Cash and cash equivalents at the beginning of the year	13.66	1.75
Cash and cash equivalents at the end of the year	0.14	13.66
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer note 18)	0.43	14.40
Less: Restricted deposits (Margin money)	0.29	0.74
Cash and cash equivalents at the end of the year*	0.14	13.66
* comprises:		
Cash on hand	0.00	0.01
Balances with banks		
On current account	0.14	13.65
	0.14	13.66
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: Chennai
Date: April 23, 2013

For and on behalf of the Board of Directors

P. K. Mukherjee
Director

S. L. Bajaj
Director

Tina Lakhani
Company Secretary

Place: Panaji - Goa
Date: April 23, 2013

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

NOTE 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.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

i) Basis of accounting and preparation of financial statements

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

ii) Use of estimates

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

iii) Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale including octroi and other levies, transit insurance and receiving charges. Finished goods 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. Computer software expenses are amortised over the period of the license / thirty six months, as the case may be.

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

vi) Revenue recognition

Sale of goods

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

Sale of services

Revenues for services is recognised on rendering of services.

Other income

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

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

vii) Fixed assets (Tangible and Intangible)

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

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

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.

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

viii) Foreign currency transactions and translations

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

ix) Foreign currency forward contracts

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

x) Government grants, subsidies and export incentives

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

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

xi) Investments

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

xii) Employee benefits

Short term employee benefits

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

Long term employee benefits

Defined Contribution plans:

Provident fund:

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

guarantee 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.

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 17 Segment Reporting.

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 assets are reviewed for impairment at each Balance Sheet date, if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Whenever the carrying value of an asset exceeds

recoverable amount, impairment is charged to the Statement of Profit and Loss.

xvii) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on 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.

NOTE 3 SHARE CAPITAL

Particulars	March 31, 2013		March 31, 2012	
	Number of Shares	₹ in crore	Number of Shares	₹ in crore
Authorised				
Equity shares of ₹ 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 with voting rights, fully paid up	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. Rights, preferences and restrictions attached to equity shares**
The Company has only one class of shares referred to as equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is paid as and when declared by the Board. Repayment of capital will be in proportion to the number of equity shares held.
- c. Details of shareholders holding more than 5% shares in the Company**

Particulars	March 31, 2013		March 31, 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Sesa Goa Limited (Holding company)	1,250,000	100	1,250,000	100

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

NOTE 4 RESERVES AND SURPLUS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
General reserve		
Balance as at the beginning of the year	98.00	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	98.00
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	1,532.06	1,392.98
Add: Profit for the year	68.79	578.00
Less :-		
Interim dividend	-	(187.50)
Proposed final dividend	-	(125.00)
Tax on dividends	0.72	(51.42)
Transfer to general reserve	-	(75.00)
Balance as at the end of the year	1,601.57	1,532.06
Total	1,699.57	1,630.06

NOTE 5 LONG TERM BORROWINGS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Secured		
Term loan from a bank (Refer footnote)	-	7.16
Total	-	7.16

The term loan is secured by a charge on vessel M.V. Goan Pride jointly held with another company. The balance of loan is repayable in 4 quarterly instalments of USD 350,000 along with interest at 6 M LIBOR plus 1.75% p.a. The last instalment is due on March 31, 2014. Since, all the remaining instalments are due in next 12 months, it is included in Note 10.

NOTE 6 DEFERRED TAX LIABILITIES (NET)

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Deferred tax liabilities:		
Depreciation allowance	13.89	14.14
	13.89	14.14
Deferred tax assets:		
Compensated absences	1.03	2.02
Others	2.51	0.69
	3.54	2.71
Deferred tax liabilities (Net)	10.35	11.43

NOTE 7 LONG TERM PROVISIONS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Provision - Others		
Provision for mine closure (Refer note 39)	0.80	0.78
Total	0.80	0.78

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

NOTE 8 SHORT TERM BORROWINGS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Unsecured:		
Other loans and advances		
Packing credit in foreign currencies from banks	-	127.89
Total	-	127.89

NOTE 9 TRADE PAYABLES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Other than acceptances		
Micro and small enterprises (Refer note 35)	-	-
Others	37.45	116.32
Total	37.45	116.32
Trade payable others include:		
Accrued payroll	3.70	3.24
Accrued expenses	13.66	54.95

NOTE 10 OTHER CURRENT LIABILITIES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Current maturities of long-term debt		
From banks (Refer footnote on note 5)	7.61	7.16
Interest accrued but not due on borrowings	-	0.36
Other payables		
Statutory liabilities including withholding taxes	0.47	1.19
Payables on account of fixed assets	12.77	2.98
Trade and security deposits received	2.68	2.42
Advances from customers [From a related party- ₹ 10.50 crore (Previous year - ₹ Nil)] (Refer note 37)	11.03	0.38
Gratuity	0.88	1.52
Premium payable on foreign exchange forward contracts	0.28	-
Other liabilities	0.28	0.31
Total	36.00	16.32

NOTE 11 SHORT TERM PROVISIONS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Provision for employee benefits		
Compensated absences	3.03	3.46
Provident fund	-	0.09
Provision - Others		
Proposed final dividend	-	125.00
Tax on proposed final dividend	-	20.28
Total	3.03	148.83

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

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

NOTE 12 FIXED ASSETS

Particulars	Gross block			Depreciation / Amortisation			Net block		
	Balance as at April 1, 2012	Additions	Disposals	Balance as at April 1, 2012	For the year	Eliminated on disposal of assets	Balance as at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Tangible assets									
Land	12.84 (8.63)	0.80 (4.21)	- (-)	- (-)	- (-)	- (-)	- (-)	13.64 (12.84)	12.84 (8.63)
Road and bunders	3.29 (2.96)	- (0.33)	- (-)	0.39 (0.34)	0.05 (0.05)	- (-)	0.44 (0.39)	2.85 (2.90)	2.90 (2.62)
Buildings	7.45 (4.96)	0.04 (2.49)	0.04 (-)	0.83 (0.64)	0.28 (0.19)	0.04 (-)	1.07 (0.83)	6.38 (6.62)	6.62 (4.32)
Plant and equipment	222.05 (158.37)	2.82 (63.68)	5.15 (-)	105.13 (95.17)	12.21 (9.96)	5.12 (-)	112.22 (105.13)	107.50 (116.92)	116.92 (63.20)
Furniture and fixtures	1.58 (1.17)	0.22 (0.41)	0.03 (-)	0.44 (0.29)	0.20 (0.15)	0.02 (-)	0.62 (0.44)	1.15 (1.14)	1.14 (0.88)
Vehicles	2.85 (2.38)	0.41 (0.76)	0.19 (0.29)	1.39 (1.21)	0.48 (0.41)	0.19 (0.23)	1.68 (1.39)	1.39 (1.46)	1.46 (1.17)
Office equipment	1.15 (0.88)	0.11 (0.27)	0.09 (-)	0.31 (0.26)	0.09 (0.05)	0.09 (-)	0.31 (0.31)	0.86 (0.84)	0.84 (0.62)
River fleet	9.95 (9.95)	- (-)	- (-)	8.66 (8.53)	0.12 (0.13)	- (-)	8.78 (8.66)	1.17 (1.29)	1.29 (1.42)
Ship (Refer footnote a)	63.97 (63.97)	- (-)	- (-)	35.70 (32.50)	3.20 (3.20)	- (-)	38.90 (35.70)	25.07 (28.27)	28.27 (31.47)
Total	325.13 (253.27)	4.40 (72.15)	5.50 (0.29)	152.85 (138.94)	16.63 (14.14)	5.46 (0.23)	164.02 (152.85)	160.01 (172.28)	172.28 (114.33)
Intangible assets									
Computer software	0.82 (0.82)	1.38 (-)	- (-)	0.82 (0.82)	0.10 (-)	- (-)	0.92 (0.82)	1.28 (-)	- (-)
Mining rights	- (-)	7.58 (-)	- (-)	- (-)	7.58 (-)	- (-)	7.58 (-)	- (-)	- (-)
Total	0.82 (0.82)	8.96 (-)	- (-)	0.82 (0.82)	7.68 (-)	- (-)	8.50 (0.82)	1.28 (-)	- (-)
Grand Total	325.95 (254.09)	13.36 (72.15)	5.50 (0.29)	153.67 (139.76)	24.31 (14.14)	5.46 (0.23)	172.52 (153.67)	161.29 (172.28)	172.28 (114.33)

Foot notes:

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

b. Figures in brackets relates to previous year

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

NOTE 13 NON CURRENT INVESTMENTS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Long term investments (at cost)		
Trade investments		
Investment in equity instruments (unquoted)		
In a subsidiary company		
Sesa Mining Corporation Limited 1,150,000 (Previous year 1,150,000) equity shares of ₹ 100 each fully paid-up	80.01	80.01
Other investments		
Investment in equity instruments (quoted)		
In other companies (quoted)		
Cairn India Limited 32,700,000 (Previous year 32,700,000) equity shares of ₹ 10 each fully paid-up	1,147.58	1,147.58
In other companies (unquoted)		
Goa Infrastructural Development Company Private Limited 5,000 (Previous year 5,000) equity shares of ₹ 10 each fully paid-up	0.01	0.01
Goa Maritime Private Limited 5,000 (Previous year 5,000) equity shares of ₹ 10 each fully paid-up	0.01	0.01
In co-operative societies (unquoted)		
V.S.Dempo Surla Mine Staff Co-operative Credit Society Limited 250 (Previous year 250) equity shares of ₹ 10 each fully paid-up [₹ 2,500 (Previous year ₹ 2,500)]	0.00	0.00
V.S.Dempo Surla Mine Staff Consumer Co-operative Society Limited 250 (Previous year 250) equity shares of ₹ 10 each fully paid-up [₹ 2,500 (Previous year ₹ 2,500)]	0.00	0.00
Total	1,227.61	1,227.61
Aggregate amount of quoted investments [Market value ₹ 890.91 crore (Previous year ₹ 1,091.85)]	1,147.58	1,147.58
Aggregate amount of unquoted investments	80.03	80.03

NOTE 14 LONG TERM LOANS AND ADVANCES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Unsecured, considered good		
Capital advances	27.93	2.99
Security deposits	0.06	0.36
Loans and advances to related parties (Refer note 37)		
Inter corporate deposit	-	46.20
Others	0.14	0.27
Prepaid expenses	2.15	2.54
Advance income tax (net of provision for income tax)	25.90	17.00
Total	56.18	69.36

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

NOTE 15 CURRENT INVESTMENTS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Unquoted (at lower of cost and fair value)		
In mutual funds		
Birla Sun Life Cash Plus - Institutional Premium - Daily Dividend Reinvestment Nil (Previous year 7,375,351) units	-	73.90
Canara Robeco Liquid Fund - Regular Daily Dividend Reinvestment 36,829 (Previous year Nil) units	3.70	-
HDFC Cash Management Fund - Savings - Daily Dividend Nil (Previous year 12,418,618) units	-	13.21
ICICI Prudential Liquid - Super Institutional Plan - Daily Dividend Nil (Previous year 816,090) units	-	8.16
IDFC Cash Fund - Daily Dividend 90,052 (Previous year 455,197) units	9.01	45.53
Kotak Liquid Institutional Premium - Daily Dividend 40,898 (Previous year 32,485,632) units	5.00	39.72
Reliance Liquidity Fund - Daily Dividend Re-investment Nil (Previous year 77,612,373) units	-	77.65
Reliance Liquid Fund - TP Institutional - Daily Dividend Reinvestment 32,713 (Previous year Nil) units	5.00	-
Religare Liquid Fund - Super Institutional - Daily Dividend 100,939 (Previous year Nil) units	10.10	-
Tata Liquid Fund Plan A - Daily Dividend 44,908 (Previous year Nil) units	5.01	-
UTI Liquid Cash - Institutional - Daily Income Option Nil (Previous year 490,901) units	-	50.04
Total	37.82	308.21
Aggregate amount of unquoted investments	37.82	308.21

NOTE 16 INVENTORIES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
At lower of cost and net realisable value		
Finished goods		
Iron ore	116.92	63.49
Consumables, stores and spares	15.67	11.48
Total	132.59	74.97

NOTE 17 TRADE RECEIVABLES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	3.67	3.65
Other trade receivables		
Unsecured, considered good	0.75	102.81
Total	4.42	106.46

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

NOTE 18 CASH AND CASH EQUIVALENTS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Cash on hand	0.00	0.01
Balances with banks		
In current account	0.14	13.65
In earmarked accounts		
Balances held as margin money (Refer footnote b)	0.29	0.74
Total	0.43	14.40
a. Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is	0.14	13.66
b. Includes deposits with remaining maturity of more than 12 months from the balance sheet date	0.01	-

NOTE 19 SHORT TERM LOANS AND ADVANCES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Unsecured, considered good unless otherwise stated		
Loans and advances to related parties (Refer note 37)		
Inter corporate deposit	38.62	-
Others	79.83	12.32
Loans and advances to employees	0.05	0.10
Prepaid expenses	1.96	3.43
Balances with government authorities		
VAT credit receivable	2.24	2.17
Service tax credit receivable	-	4.87
Export duty receivable	12.31	26.26
Service tax refund receivable	7.72	8.40
Others	0.03	0.04
Advances to suppliers	12.25	23.19
Total	155.01	80.78

NOTE 20 OTHER CURRENT ASSETS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Interest accrued on deposits (Refer note 37)	0.11	0.08
Unamortised premium on foreign exchange forward contracts.	0.17	-
Total	0.28	0.08

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

NOTE 21 REVENUE FROM OPERATIONS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
a. Sale of products		
Sale of iron ore	390.88	1,967.63
Less: Ocean freight	38.12	155.98
Net Sales	352.76	1,811.65
b. Sale of services		
Hire of transhipper	7.98	19.83
Hire of barges and jetties	2.05	5.47
	10.03	25.30
c. Other operating revenues		
Sale of materials	1.51	0.95
Credit balances written back	1.17	-
	2.68	0.95
Total	365.47	1,837.90

NOTE 22 OTHER INCOME

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Interest		
on inter corporate deposit (Refer note 37)	4.11	0.07
on bank deposits	0.05	0.07
others (Refer note 37)	0.03	0.05
Dividends		
on long term investments (Refer note 37)	16.35	-
on current investments	10.45	24.75
Profit on sale of current investments (net)	0.00	10.43
Profit on sale of fixed assets (net)	0.84	0.04
Net gain on foreign currency transactions and translations	7.64	-
Other non-operating income	0.11	0.08
Total	39.58	35.49

NOTE 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Inventories at the beginning of the year		
Finished goods - Ore	63.49	68.89
Inventories at the end of the year		
Finished goods - Ore	116.92	63.49
Net decrease / (increase)	(53.43)	5.40

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

NOTE 24 EMPLOYEE BENEFITS EXPENSE

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Salaries, wages and incentives	28.50	34.46
Contributions to provident and other funds	2.66	5.31
Staff welfare expenses	1.37	2.15
Total	32.53	41.92

NOTE 25 FINANCE COSTS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Interest expense		
- Borrowings from banks	0.67	3.05
- Others	0.49	0.56
Other borrowing costs	0.26	0.66
Net loss on foreign currency transactions and translation in respect of borrowings	3.90	8.04
Total	5.32	12.31

NOTE 26 OTHER EXPENSES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Consumption of stores and spare parts	18.76	38.50
Repairs and maintenance		
Plant and equipment	1.81	4.19
Buildings	1.05	2.16
Others	13.34	27.05
Contractors for hired trucks and other services	30.92	94.98
Hire of barges	6.15	24.93
Wharfage, tonnage, handling and shipping expenses	8.26	28.20
Rent	8.13	1.88
Royalty and cess	11.53	24.54
Rates and taxes	0.60	0.27
Insurance	2.82	3.74
Power and fuel	2.52	3.42
Water charges	0.34	0.20
Indemnisation for damages	-	0.57
Payments to auditors		
as Auditors - statutory audit	0.11	0.11
for other services	0.09	0.08
Travelling expenses	0.54	1.22
Professional and legal charges	6.67	5.95
Donations and contributions	0.97	0.63
Corporate social responsibility	1.20	1.33
Export duty	101.02	429.90

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

NOTE 26 OTHER EXPENSES (CONTD.)

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Demurrage over despatch	1.19	11.49
Testing and analysis expenses	0.07	1.02
Net loss on foreign currency transactions and translations	-	14.00
Miscellaneous expenses	2.76	3.47
Total	220.85	723.83

NOTE 27 Exceptional items for the current year pertain to expenditure in connection with the Company's Voluntary Retirement Scheme.

NOTE 28 CONTINGENT LIABILITIES

₹ in crore

Particulars	March 31, 2013	March 31, 2012
i) Guarantees issued by the bankers in favour of various parties (excluding the liability for which provisions have been made)	3.84	4.11
ii) Bonds executed in favour of customs authorities in respect of export of iron ore	658.11	573.53
iii) Bills discounted under letters of credit with banks	-	343.46
iv) Disputed income tax demand*	109.68	116.92
v) Disputed income tax demands	19.91	-
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)	22.52	36.19
vii) Corporate guarantees given to Custom authorities on behalf of the wholly owned subsidiary	12.57	12.53
viii) Disputed marine claims*	13.34	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 notifications by the relevant authorities, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary.

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

NOTE 29 COMMITMENTS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Estimated amount of contracts remaining to be executed on capital account and not provided for	40.25	3.13

NOTE 30 DETAILS OF FINISHED GOODS & TRADED GOODS

₹ in crore

Particulars	Sales value	Opening inventory	Closing inventory
Finished goods			
Iron ore	275.62	63.49	116.92
	(1,575.87)	(68.89)	(63.49)
Traded goods			
Iron ore	77.14	-	-
	(235.78)	(-)	(-)

Notes forming part of the financial statements as at and for the year ended March 31, 2013**NOTE 31 CIF VALUE OF IMPORTS**

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Components and spare parts	0.46	3.22
Capital goods	1.34	13.17

NOTE 32 CONSUMPTION OF STORES AND SPARE PARTS

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Imported 0.16% (Previous year 0.34%)	0.03	0.13
Indigenous 99.84% (Previous year 99.66%)	18.73	38.37

NOTE 33 EXPENDITURE INCURRED IN FOREIGN CURRENCY

₹ in crore

Particulars	March 31, 2013	March 31, 2012
Testing and analysis expenses	0.03	1.02
Travelling expenses	-	0.08
Demurrage	1.19	11.49
Ocean freight	38.12	155.98
Insurance	1.87	0.99
Interest on foreign currency loan	0.67	3.05
Repairs & Maintenance - ship	4.24	8.24
Miscellaneous expenses	0.13	0.31

NOTE 34 EARNINGS IN FOREIGN CURRENCY

₹ in crore

Particulars	March 31, 2013	March 31, 2012
FOB value of exports	352.76	1,811.46

NOTE 35 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.

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

NOTE 36 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 of 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.

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

Particulars	₹ in crore	
	March 31, 2013	March 31, 2012
Fair value of plan assets	3.61	5.30
Present value of defined benefit commitment	(4.49)	(6.82)
(Liability) / Asset recognised in the Balance Sheet	(0.88)	(1.52)
Defined benefit commitment		
Balance at beginning of the year	6.82	4.89
Current service cost	0.43	0.27
Benefits paid	(3.54)	(0.92)
Interest cost	0.56	0.39
Actuarial losses / (gains)	0.22	2.19
Balance at end of the year	4.49	6.82
Changes in fair value of plan assets		
Balance at beginning of the year	5.30	5.70
Contribution made	1.54	0.04
Benefits paid	(3.54)	(0.92)
Return on plan assets	0.31	0.48
Actuarial gains/(losses)	-	-
Balance at end of the year	3.61	5.30

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, 2013	March 31, 2012
Expected return on plan assets	0.31	0.48
Actuarial gain /(loss)	-	-
Actual return on plan assets	0.31	0.48

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

Particulars	₹ in crore	
	March 31, 2013	March 31, 2012
Current service cost	0.43	0.27
Actuarial (gains) /losses	0.22	2.19
Expected return on plan assets	(0.31)	(0.48)
Direct payments / adjustments	0.05	0.01
Interest cost	0.56	0.39
Total expense recognised in the Statement of Profit and Loss	0.95	2.38

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

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

Particulars	₹ in crore	
	March 31, 2013	March 31, 2012
Rate on discounting liabilities	8.00%	8.00%
Expected salary increase rate	5.00%	7.50%
Expected rate of return on scheme assets	9.30%	9.30%
Withdrawal rates	1.50%	1.50%
Mortality rates	LIC (1994-96) Ultimate Table	LIC (1994-96) Ultimate Table

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

Experience adjustment

Particulars	₹ in crore				
	2012-13	2011-12	2010-11	2009-10	2008-09
Present value of commitment	4.49	6.82	4.89	4.67	5.44
Fair value of the plans	3.61	5.30	5.70	6.18	6.03
(Deficit)/surplus	(0.88)	(1.52)	(0.81)	(1.51)	(0.59)
Experience adjustment on plan liabilities	(0.11)	(1.27)	(0.43)	(0.91)	0.30
Experience adjustment on plan assets	(0.27)	(0.79)	(0.82)	0.08	0.07

The contributions expected to be made by the Company during the financial year 2013-14 are ₹ 0.88 crore.

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 ₹ 1.71 crore (Previous year ₹ 2.94 crore) has been charged to the Statement of Profit and Loss in this respect, the components of which are tabulated below:

Particulars	₹ in crore	
	March 31, 2013	March 31, 2012
Provident fund and family pension fund	1.24	1.77
Superannuation fund	0.47	1.17
	1.71	2.94

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, 2013 is ₹ Nil (Previous year ₹ 0.09 crore, which has since been written back in the books).

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

NOTE 37 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 Limited

Black Mountain Mining (Pty) Limited

Cairn India Limited

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:

Particulars	₹ in crore	
	March 31, 2013	March 31, 2012
1) Income		
a) Revenue from Operations		
Sesa Goa Limited	15.51	36.88
Goa Maritime Private Limited	0.01	-
b) Interest others		
Goa Maritime Private Limited	0.03	0.04
c) Interest on Inter corporate deposit		
Goa Energy Limited	4.11	0.07
d) Dividends on long term investments		
Cairn India Limited	16.35	-
e) Recovery of expenses		
Sesa Goa Limited	0.30	-
Sterlite Industries (India) Limited	0.01	-
Hindustan Zinc Limited	0.32	-
Black Mountain Mining (Pty) Limited	0.00	-
Vedanta Aluminium Limited	0.02	-
2) Expenses		
a) Purchases		
Sesa Goa Limited	9.96	21.98
Sesa Mining Corporation Limited	77.14	235.78
b) Expenses reimbursed		
Sesa Goa Limited	0.61	-
Sesa Mining Corporation Limited	0.00	-
Sterlite Industries (India) Limited	1.38	0.87
Hindustan Zinc Limited	-	0.02
Vedanta Aluminium Limited	0.01	-
Goa Maritime Private Limited	5.80	10.28

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

Particulars	₹ in crore	
	March 31, 2013	March 31, 2012
3) Purchase / Sale of Fixed Assets		
a) Purchases		
Sesa Goa Limited	0.15	-
Sterlite Industries (India) Limited	1.38	-
b) Sales		
Sesa Goa Limited	0.01	-
4) Loans and Advances - Inter corporate deposit		
a) Given / (Repaid) during the year		
Goa Energy Limited	(7.58)	46.20
5) Loans and Advances - Others		
a) Given / (Repaid) during the year		
Goa Maritime Private Limited	(0.12)	(0.11)
6) Advances taken / (repaid)		
a) Advances taken during the year		
Sesa Goa Limited	160.50	-
b) Advances repaid during the year		
Sesa Goa Limited	(150.00)	-
7) Outstanding receivable / (payable) as at the end of the year		
Sesa Mining Corporation Limited	79.24	11.66
Hindustan Zinc Limited	0.14	-
Goa Maritime Private Limited	0.73	(0.15)
Goa Energy Limited	38.73	46.27
Black Mountain Mining (Pty) Limited	0.00	-
Sesa Goa Limited	(12.69)	(4.46)
Sterlite Industries (India) Limited	(1.71)	(0.06)
8) Investments as at the end of the year		
Sesa Mining Corporation Limited	80.01	80.01
Cairn India Limited	1,147.58	1,147.58
9) Collaterals guarantees given		
Sesa Mining Corporation Limited	12.57	12.53

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

NOTE 38 EARNINGS PER SHARE:

Particulars	March 31, 2013	March 31, 2012
Profit after tax (₹ in crore)	68.79	578.00
Weighted average no. of equity shares	1,250,000	1,250,000
Nominal value of each equity shares	₹ 10	₹ 10
Basic and Diluted earnings per share (in ₹)	550.35	4,624.00

NOTE 39 In terms of the Mineral Concession Rules 1960 and Mineral Conservation and Development Rules (MCDR) 1988, the Company has provided a “financial assurance” in the form of a bank guarantee to the Regional Controller of Mines, towards its mine closure obligation. The Company has made a provision for expense to the extent of the bank guarantees provided.

The present mine closure provision at March 31, 2013 is as under:

Nature of obligation	₹ in crore	
	March 31, 2013	March 31, 2012
Provision for mine closure		
Opening carrying amount	0.78	0.78
Additional provision made during the year	0.02	-
Amount used during the year	-	-
Unused amount reversed during the year	-	-
Closing carrying amount	0.80	0.78

NOTE 40 FOREIGN CURRENCY EXPOSURES:

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

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

Particulars	March 31, 2013		March 31, 2012	
	₹ in crore	Fx million	₹ in crore	Fx million
Buy Contracts				
USD/ INR	6.03	USD 1.05	-	-

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

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

Particulars	March 31, 2013		March 31, 2012	
	₹ in crore	Fx million	₹ in crore	Fx million
Trade receivables	0.18	USD 0.03	99.72	USD 19.49
Advances to Suppliers				
	0.00	USD 0.00	0.16	USD 0.03
	0.03	EUR 0.00	0.39	EUR 0.06
	0.09	CAD 0.02	-	-

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

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

Particulars	March 31, 2013		March 31, 2012	
	₹ in crore	Fx million	₹ in crore	Fx million
Trade payables	2.63	USD 0.48	38.64	USD 7.55
			0.16	JPY 2.64
			0.13	GBP 0.02
	0.05	AUD 0.01	0.28	AUD 0.05
Foreign currency loan payable & interest thereon	1.90	USD 0.35	142.57	USD 27.87

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

NOTE 41 DISCLOSURE REGARDING JOINTLY CONTROLLED ASSETS – MV GOAN PRIDE

Particulars	₹ in crore	
	March 31, 2013	March 31, 2012
Jointly controlled asset - Net Book Value	25.07	28.27
Liabilities	7.61	14.32
Expenses incurred	30.19	31.00
Income recognised	2.29	12.92

NOTE 42 The Government Authorities have ordered suspension of mining operations of all mining leases in the State of Goa, stoppage of mining transport across the State of Goa and suspension of environmental clearance in September, 2012. In October, 2012 the Supreme Court has ordered suspension of all mining operations and transportation of iron ore of the mines in the State. In view of the foregoing, operations at the Company's mines in Goa remain suspended. Based on the favourable verdict of the Supreme Court lifting the suspension of iron ore mining in the State of Karnataka and the affidavit filed by the Government of Goa in the matter of resumption of mining in Goa, the Company expects a favourable outcome in the matter.

NOTE 43 Previous year's figures have been regrouped / reclassified, to correspond with the current year's classification/ disclosure.

For and on behalf of the Board of Directors

Place: Panaji - Goa
Date: April 23, 2013

P. K. Mukherjee
Director

S. L. Bajaj
Director

Tina Lakhani
Company Secretary

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
		March 31, 2013
1.	Financial years of the Subsidiary Company ended on	
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	(10.23)
	b) For the previous financial years of the Subsidiary/since it became the Holding company's subsidiary	63.33
	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	140.40
	Total Assets	282.94
	Total Liabilities	282.94
	Investment (except incase of investment in subsidiaries)	11.35
	Turnover	94.74
	Profit before Taxation	(14.73)
	Provision for Taxation	(4.50)
	Profit after Taxation and write back	(10.23)
	Interim/Proposed final Dividend (including Dividend Distribution Tax thereon)	-