



Sesa Goa Limited
Annual Report 2012

Our Vision

To be one of the top four iron ore mining companies in the world.

Our Mission

- To maximise stakeholder wealth by exploiting core skills of iron ore mining, coke and iron making.
- To constantly seek high levels of productivity and technical efficiency; to maintain technological superiority over competitors.
- To aggressively seek additional resources.
- To maintain costs in the lowest quartile globally.
- To be an organisation with best-in-class people and a performance driven culture by attracting and retaining quality manpower.
- To continue to maintain pre-eminent position in safety, environment and quality control management in respective industry sectors.
- To contribute to the development of the communities, that the Company operates in, or have influence on its business activities.
- To uphold human rights in the work place and communities surrounding our operating areas.

Our Values



Entrepreneurship

We foster an entrepreneurial spirit throughout our businesses and value the ability to foresee business opportunities early in the cycle and act on them swiftly. Whether it is developing organic growth projects, making strategic acquisitions or creating entrepreneurs from within, we ensure an entrepreneurial spirit at the heart of our workplace.



Growth

We continue to deliver growth and generate significant value for our shareholders on a sustainable basis. Moreover, our organic growth pipeline is strong as we seek to continue to deliver significant growth for shareholders in the future. We have pursued growth across all our businesses and into new areas; always on the basis that value must be delivered.



Excellence

Achieving excellence in all that we do is our way of life. We strive to consistently deliver projects ahead of time at industry leading costs of construction and within budget. We are constantly focused on excellence while aspiring to achieve a top decile cost of production in each of our businesses. To achieve this, we follow a culture of best practice benchmarking.



Trust

The trust that our stakeholders place in us is key to our success. We recognise that we must responsibly deliver on the promises we make to earn that trust. We constantly strive to meet stakeholder expectations from us and deliver ahead of expectations without compromising our other values.



Sustainability

We practice sustainability within the framework of well-defined governance structures and policies and with the demonstrated commitment of our management and employees. We aim not only to minimise damage to the environment from our projects but to make a net positive impact on the environment wherever we work.

Our Operations

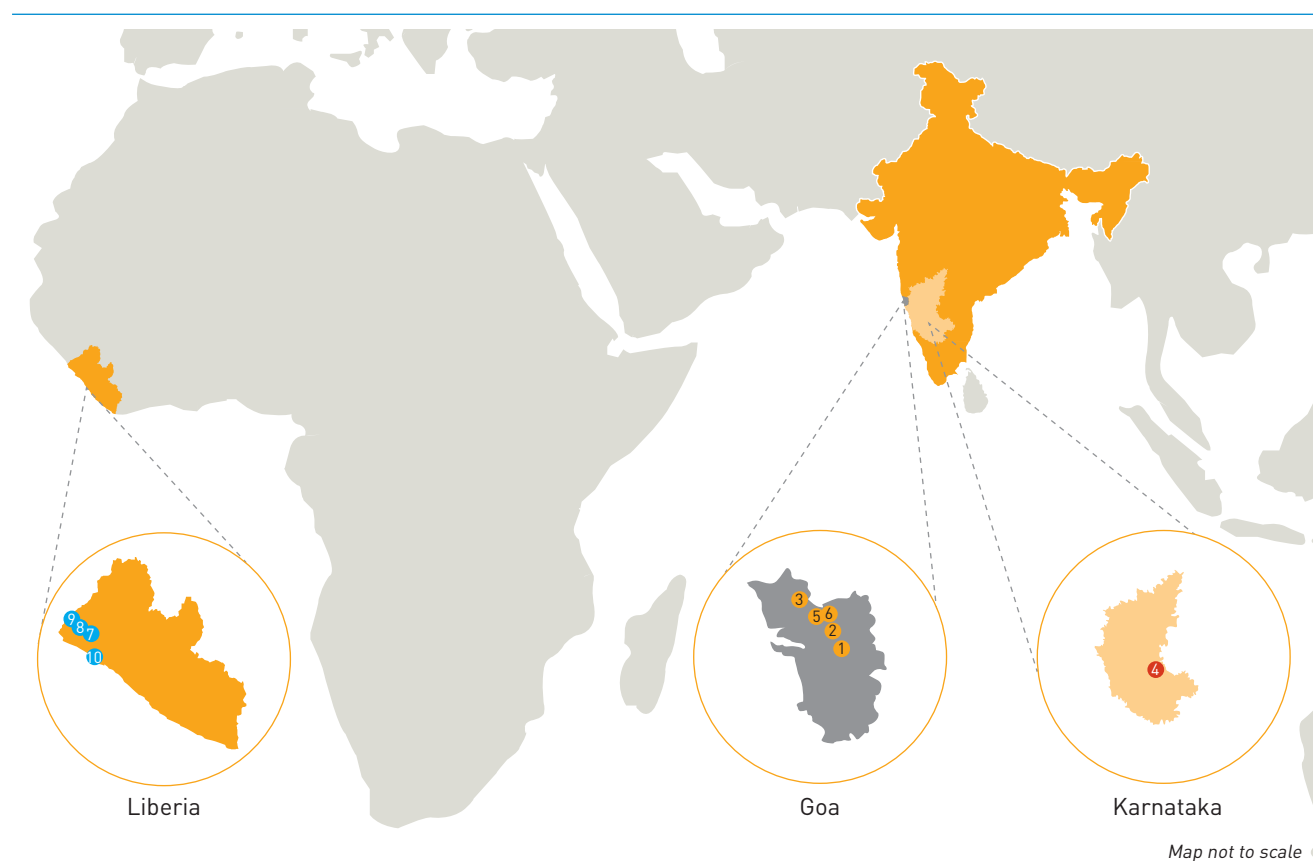
Who We Are

Sesa Goa Limited is India's largest producer and exporter of iron ore in the private sector and a subsidiary of Vedanta Resources Plc., the London listed FTSE 100 diversified metals and mining major. Sesa also produces pig iron and metallurgical coke and provides proprietary technology in met coke manufacturing. Sesa holds 20% interest in Cairn India Limited,

India's second largest private sector upstream oil company (by reserves). Sesa also holds 51% interest in Western Cluster Limited which has obtained mineral development rights for iron ore over a vast area in Liberia.

With a commitment to create a world-class enterprise through high quality assets and competitive costs of production, we pursue our

consistent strategy of owning and operating low-cost, expandable, upstream assets and delivering more predictable business performance over time which, in turn, underpins the creation of value for our shareholders, customers, employees and, importantly, the communities in which we operate.



Where We Operate

Our operations are principally located in India, one of the fastest growing major economies in the world. We have recently acquired a majority interest in a developing iron ore project in Liberia.

India

Iron Ore Operations

1. Codli Mines, Goa
2. Sonshi/Surla Mines, Goa
3. Bicholim Mines, Goa
4. A Narrain Mine, Karnataka

Pig Iron & Met Coke Operations

5. Pig Iron Plant, Goa
6. Met Coke Plant, Goa

Liberia

Iron Ore Project

7. Bomi Hills
8. Bea Mountain
9. Mano River
10. Monrovia Port

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Highlights

Financial

- Revenue of ₹ 9,057 crores
- PBDT of ₹ 3,235 crores
- PAT of ₹ 2,696 crores
- Basic EPS of ₹ 31.01
- Dividend at ₹ 4 per share including interim dividend of ₹ 2 per share
- Strategic investments – acquired 20% stake in Cairn India Limited, 51% in Western Cluster Limited and 100% in Goa Energy Private Limited

Business

- Iron ore sales volumes were at 16.0 million tonnes (mt), despite significant external challenges
- Exploration success – net addition of 68 mt of reserves and resources (R&R) taking the total R&R to 374 mt
- Aeromagnetic survey of Western Cluster deposits indicates a significant upside potential to the existing resource base of 1 billion tonnes (bt)

Consolidated Financial Summary

in ₹ crore, except as stated

	2012	2011
Net Income from operations	8,310	9,193
Cash Profit (PBDT)	3,235	5,656
PBDT Margin	39%	61%
Net Profit (PAT)	2,108	4,222
Net Profit (PAT) incl. Associate Income*	2,696	4,222
Earnings Per Share (₹)		
Basic	31.01	49.17
Diluted	31.01	48.17

*Associate income from Cairn India Limited of ₹ 588 crores has been taken from December 8, 2011.

Key Performance Indicators

Total Revenues

(₹ in crore)

11-12	8545
10-11	9745
09-10	6284
08-09	5183
07-08	3897

PAT

(₹ in crore)

11-12	2696
10-11	4222
09-10	2629
08-09	1988
07-08	1542

Net Worth

(₹ in crore)

11-12	15118
10-11	12810
09-10	7918
08-09	4716
07-08	2943

Iron Ore Sales

(Mln Tn)

11-12	16.0
10-11	18.1
09-10	18.4
*08-09	15.1
*07-08	12.4

Pig Iron Sales

('000 Tn)

11-12	249
10-11	279
09-10	279
08-09	224
07-08	266

Met Coke Sales

('000 Tn)

11-12	257
10-11	252
09-10	265
08-09	217
07-08	260

*FY 2009 and FY 2008 sales are in wmt

Year in Review

Cairn India

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

Western Cluster

Sesa Goa Limited acquired a 51% stake in Western Cluster Limited in Liberia, with a potential iron ore resource of over 1 bt, for US\$ 90 million equivalent to ₹ 411 crores.

Sesa Sterlite Merger

The Company announced the intended merger of Sterlite Industries (India) Limited with Sesa Goa Limited. This merger will create one of the world's largest diversified natural resources companies which will have exposure to zinc-lead-silver, iron ore, oil & gas, copper, aluminium and commercial power.



Mining operations at Sonshi, Goa

Goa Energy

Sesa Goa Limited acquired 100% shares of Goa Energy Private Limited (GEPL) for an enterprise value of ₹ 104 crores on a cash-free debt-free basis. GEPL owns and operates a 30 MW waste heat recovery power plant in Goa which utilises the waste heat and gases from Sesa's metallurgical coke making and pig iron facilities.

Expansion

The Company is in the final stages of commissioning its expansion project for the pig iron and met coke manufacturing facilities. With the commissioning of the 450 m³ blast furnaces and 2 batteries of 36 coke ovens each, the Company's overall pig iron production capacity increases to 625 ktpa and met coke production to 560 ktpa.

SA 8000

Sesa Goa Limited is certified with the Social Accountability 8000 (SA 8000) stand, by Bureau Veritas, making Sesa the first iron ore company to receive this certifications.



Chief Executive's Statement



Dear Shareholders,

2011-12 was a landmark year in the Company's journey towards its vision, as it made significant strides towards becoming a diversified global resource champion. Significant acquisitions – a substantial interest in oil & gas, an eco-friendly power generation facility for domestic consumption and a major offshore iron ore asset – and the announcement of merger of Sterlite Industries (India) Limited, coupled with the integration of varied commodity businesses, copper, zinc and aluminium, herald a diversified natural resources company with a global footprint.

Diversity in commodities, exposure to diverse geographies and currency, large scale operations and thereby access to significant organic growth, are key success factors of global large diversified resource majors, enabling them to deliver consistent higher

shareholder value at reduced risk.

The proposed Sesa Sterlite will be one among the largest global diversified resource companies.

The Indian iron ore mining industry, in 2011-12, has been severely affected by events related to regulation, policy and other environmental concerns, which have also impacted our Company. Despite all round best efforts put in by teams, the Company's performance has been under pressure as compared to the last year. Specifically, the closure of Orissa operations by us since December 2010, the ban on mining in Karnataka, and logistics constraints in Goa led to a decline in overall volumes during the year, in comparison with previous years.

While, internal systems and processes continue to be robust absorbing external shocks to reflect a creditable business performance, overall

The proposed Sesa Sterlite will be one among the largest global diversified resource companies.

performance has been impacted by the above constraints. Some other adverse impacts were higher duties on the export of ore, increasing interest costs and exchange losses. The impact was also felt by our other businesses; the pig iron business recorded lower production and consequently lower sales than last year, on account of low availability of high grade iron ore from Karnataka.

During the year, the industry in India as a whole, as our Company, was gripped in a seemingly ceaseless national debate on issues related to illegal mining practices, which split over into all aspects of the business. Heightened social activism led to holdups in regular activities, resulting in increased levels of engagement with stakeholders during the year, to reinforce and reiterate responsible mining practices that are followed by our Company. The Company and its teams worked tirelessly to mitigate the impacts, to ensure the continuity of operations and to reassure our stakeholders; responding proactively to all agencies.

The Company looks ahead to a hopeful early resolution of these challenges. While we anticipate fair weather and a regulated climate soon, we continue to work on furthering our internal systemic robustness and strengthening processes to handle such future challenges, if any, and gearing ourselves up towards our growth aspirations.

Business Environment

Despite being under a shadow in the wake of the 2008 financial crisis, the fiscal crisis in Europe and dimming growth prospects, the global GDP is estimated to have expanded at a rate of 3.9% in 2011. China and India exhibited moderate growth of around 9.2% and 7.2% in 2011 respectively.

Despite the uncertainties on the economic front, global steel output in 2011 increased to 1.53 bt from 1.43 bt in 2010 and the global seaborne iron ore trade increased from 986 mt in 2010 to 1,090 mt in 2011 (an increase of 11%) on the back of sustained and robust demand from China.

The outlook for the Chinese economy and its metal consumption is currently unclear as China transitions from an investment-led growth economy to a consumption-led economy. While the demand growth for metal consumption in China is expected to slow over the coming decade, particularly on a higher base, longer term demand fundamentals for metals remain robust. The absolute quantum of the Chinese demand growth is expected to remain at healthy levels considering the base effect. To put it into perspective, 10% growth in Chinese steel demand would roughly add an equivalent of the entire annual Indian apparent steel demand at current levels.

Extensive urbanisation of China over the last few decades has added about 15 million persons to urban population every year and has been the driver of the economic and social transformation in the country. Despite this scale of urbanisation, it has been concentrated towards the Eastern region of China. Overall levels of urbanisation in China still remain at levels far below those of Brazil (87%), US (82%) and Japan (68%).

Overall levels of urbanisation in China still remain at levels far below those of Brazil (87%), US (82%) and Japan (68%).

The automobile penetration level, one of the major drivers of steel demand elsewhere, is below the US level.

India's consumption of world metals, in the last decade, still constitutes only 3%, up from 2% in 1990s, despite growth seen in the Indian economy. India's per capita apparent steel consumption at 51 kg remains far lower than China's 454 kg and South Korea's 1,082 kg per capita consumption. Coupled with current levels of urbanisation (29%), this is an indicator of a healthy long-term demand scenario.

Iron ore seaborne supply may continue to be tight for some years to come. With limited additions, in a timely manner, in seaborne capacity and with Chinese domestic iron ore production flattening, market looks likely to remain tight in 2015. Cost inflation pressures and grade depletion are structural challenges for the industry. Execution risk around new projects means high-cost Chinese domestic ore will be needed to balance the market for the next few years, setting a high floor to prices.

Notwithstanding the multiple cost and regulatory pressures such as multi-fold increases in the export duty, the strategic positioning of Sesa as a low-cost producer, coupled with accessibility to ports and strong customer relations, remains the key to mitigating downside risks and exploiting opportunities.

Iron ore prices are expected to remain range-bound at current levels. While

the year-end prices remained at a level lower than those experienced during the early part of the year, on an overall basis, the average prices remain range-bound averaging similar levels as seen in FY 2011.

Performance

Sesa continues to focus on improving internal operational efficiencies, while aspiring to achieve higher performance levels. However, during the year, volumes were under pressure.

Iron ore production and sales were 13.8 and 16.0 mt in 2011-12 compared to 18.8 and 18.1 mt (17.4 and 16.4 mt excluding Orissa) in the previous year. External sales revenue from iron ore decreased by 3%, from ₹ 8,387 crores in 2010-11 to ₹ 8,112 crores in 2011-12.

The pig iron business' sales volume decreased by 6% to 250,571 tonnes in 2011-12, while sales revenue grew, fuelled by better prices, by 8% to ₹ 720 crores in 2011-12.

Sales and production volume of metallurgical (met) coke were at similar levels as last year, at 251,264 tonnes and 256,575 tonnes respectively in 2011-12. External sales revenue increased by 24% to ₹ 200 crores in 2011-12.

Sesa's net income from operations fell by 10% to ₹ 8,310 crores in 2011-12. Operating cash profit (PBDT) declined by 43% to ₹ 3,235 crores in 2011-12. PAT (including associate income) decreased 36% to ₹ 2,696 crores, and diluted earnings per share were ₹ 31.01 in 2011-12. With effect from December 8, 2011, Cairn India Limited (CIL) became an associate company and accordingly, the Company's share of profits in CIL, attributable to the period after acquisition till March 31, 2012, have been recognised in the consolidated financial results.

Gross addition of over 257 mt over the last 4 years; drilling more than 200,000 metres.

Growth

Notwithstanding our disappointment of not being able to sustain the continued strong performance levels in light of adverse extraneous factors, our commitment and drive for growth was underscored by our strong performance on resource addition. Exploration, which is the pillar of strength for our growth strategy added 68 mt of additional resources during the year, about 5 times what we have extracted during the year. I would like to congratulate our exploration team who through their stupendous efforts have added over 257 mt over the last 4 years drilling more than 200,000 metres. As on March 31, 2012, the Company's total reserves and resources in India were 374 mt, excluding resource base at Liberia.

While we are currently constrained in our efforts to increase our iron ore capacities, I am pleased to inform that we are on the verge of successfully commissioning the expansions of our pig iron and met coke facilities along with a sinter plant, while the associated power plant is already commissioned. The enhanced pig iron capacity of 625 ktpa makes us the largest low phosphorous pig iron facility in the country and the addition of the sinter plant gives us the ability to utilise iron ore fines, giving us a strong cost advantage.

Long Term Value

As stated earlier, we have taken significant steps towards the creation of a global resource champion during the year. Sesa Goa Limited, along with its

subsidiary, Sesa Resources Limited, acquired 20% of the share capital of Cairn India Limited for ₹ 13,075 crores. Cairn India is a unique oil and gas exploration and production platform with the second largest oil reserves in India. Its key producing asset, representing 25% of India's total oil production, has been substantially de-risked. It is a low operating cost, long life asset with the ability to increase its production plateau and has a proven management team.

Taking the Company's iron ore business truly global, we acquired 51% stake in Western Cluster Limited in Liberia, with a potential iron ore resource of over 1 bt, for ₹ 411 crores. Western Cluster Project presents an excellent opportunity for developing a large integrated mining operation and establishes our presence in Liberia and the upcoming iron ore hub in West Africa.

The Company also announced the intended merger of Sterlite Industries (India) Limited with Sesa Goa Limited. This merger will foster the creation of one of the world's largest diversified natural resources company and the merged entity will have exposure to zinc-lead-silver, iron ore, oil & gas, copper, aluminium and commercial power with assets located in India, Australia, Liberia, South Africa, Namibia, Ireland and Sri Lanka.

Sustainability

Sesa remains committed to sustainable development, which focuses on maintaining a pre-eminent position in health, safety and environment practices, and in contributing to the development of communities where it operates.

Health and safety are always a priority for Sesa. The Company continues to take a proactive role in providing employees a safe working environment through

responsibility, training, monitoring and implementing the best safety practices across all locations. Over the years, Sesa has been implementing a total quality approach to its operations, and in this process, many units have been certified for 5S Workplace Management System.

In 2011-12, Sesa's overall Lost Time Injury Frequency Rate (LTIFR) reduced from 0.86 in 2010-11 to 0.81 per million man hours worked. I am also happy to report that the pig iron division (PID) maintained its zero-accident record for the last two years and our shipbuilding division achieving a zero-accident record for

Our development initiatives have impacted about 4 lakh lives in and around the areas in which we operate.

2011-12.

The Company has an integrated approach to the management of health, safety and environment systems in all its units, which are certified for ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007. During the year, Sesa has been certified for SA 8000 for all its units on a standalone basis.

Our community development work, through the Sesa Community Development Foundation, Mineral Foundation of Goa and other specific need-based initiatives, continues to focus on social projects in line with our overall sustainability objectives. Our development initiatives have impacted about 4 lakh lives in and around the areas in which we operate. Further details on health, safety and environment and corporate social responsibility are outlined under the management discussion and analysis.

Outlook

As stated earlier, the longer term perspective of the iron ore market remains stable with a gradual move towards equilibrium. Consensus expectations indicate a global deficit in iron ore continuing for the next two years, followed by pressure on prices as new mining capacities are added. Cost pressures, especially related to capital expenditure, uncertainty of imposition of fresh taxation by regulators and project delays could potentially constrain the speed at which new supply is added, which could be additional buoyancy for prices.

On the cost front, royalty rates, railway and road freight and export duties are expected to exert pressure on the Company, while volumes would continue to be challenged by uncertainties in policy decisions and hurdles in logistics. We continue to remain cautiously optimistic of overcoming such obstacles.

The following will continue to be our strategic thrust areas for the year 2012-13.

Safety: Safety will continue to be paramount and at the forefront of all our operations. Our focus in 2012-13 will be to improve on the currently stellar safety performance in the pig iron and met coke businesses by further reducing near misses and incidents, and to work consistently and intensively to duplicate this performance in the iron ore (and associated) divisions.

Production: With a focus on enhancing operational efficiencies, we will continuously strive to restore performance levels to better the best performance in previous years. We look forward to Karnataka operations resuming to full-blown levels in the near term. The commissioning of our met coke and pig iron expansions take

our capacities to 560 and 625 ktpa respectively and we look forward to full capacity utilisation rates during the year.

Cost Reduction and Process

Optimisation: With increasing pressures from external factors pushing costs up, we look forward to initiating newer avenues to contain costs, with more and more technology interventions to improve efficiencies, simplify processes and ease inflationary impacts.

People Best Practices: We will continue our focus on people development, learning and other engagement initiatives towards making our organisation an exemplary workplace.

Stakeholder Perception: Our resolve to partner with our communities remains steadfast, as ever, and we are actively engaging with all stakeholders.

Corporate Governance

In 2009-10, Sesa was subjected to investigation by the Serious Fraud Investigation Office (SFIO), Ministry of Corporate Affairs, New Delhi. On May 26, 2011, the Company received a copy of the report by the SFIO on the investigation into Sesa's affairs pursuant to section 235 of the Indian Companies Act. Certain allegations are made in the SFIO's report relating to under invoicing in iron ore exports, over-invoicing in coal imports, higher commission to erstwhile principal shareholder Mitsui, over-invoicing of iron ore to erstwhile subsidiary, Sesa Industries Limited, and other violations under the Indian Companies Act, during the period from 2001 to 2008. The report has recommended, inter alia, that action be taken against the directors of Sesa Goa Limited during the aforementioned period. In response to the report received

from SFIO, Sesa filed a few representations to the Secretary, Ministry of Corporate Affairs, with a copy to the SFIO, explaining in detail Sesa's position on the allegations in the SFIO report and denying the allegations made therein. No further communication has been received till the time of writing this.

Acknowledgement

I would like to take this opportunity to thank all our employees, my colleagues on the executive team of Sesa, the Group Management and the Board of Directors for their unwavering support and would like to use the opportunity to welcome our colleagues in Western Cluster Limited, Liberia and GEPL into our family.

We announced that Mr. A K Rai, Executive Director has retired from the Board with effect from August 1, 2011, after serving the Company for 36 years. Further, Mr. P G Kakodkar, Non-Executive Director, also stepped down from the Board with effect from October 25, 2011. On behalf of the Board of Directors, I would like to take this opportunity to thank Mr. Rai and Mr. Kakodkar for their substantial contributions to Sesa.

I thank our shareholders for reposing faith in our business in adverse times. These are tough times and call for tougher people. Let me reassure our shareholders that we are geared up to face challenges as they arise and that we shall all exert our efforts together, exercise our individual talent and team synergies, to propel our Company forward and deliver the goals we have set ourselves for this year.

P. K. Mukherjee
Managing Director

May 7, 2012

Emerging Global Resource Champion

The emergence of a few large diversified global majors, dominating the global mining scene, is attributable to the pursuit of diversification and scale.

Diversity in commodities, exposure to diverse geographies and currency, large scale operations and thereby access to significant organic growth are key factors in the success of these large diversified majors, enabling them to deliver consistent higher shareholder value at reduced risk.

This scale and enhanced capacity enables effective stakeholder engagement. Given the nature of resource infusion required, large organisations are able to sustain the requirements to employ modern technology, invest in required environmental initiatives and participate in inclusive growth.

During the year, the Company has taken significant steps towards its vision to be a large diversified global resource champion.

In 2011-12, the Company acquired a significant interest in oil & gas, an eco-friendly power generation facility for its domestic consumption, a major offshore iron ore asset and, with the announcement of merger of Sterlite Industries (India) Limited along with some other group companies, heralded a diversified natural resources company with a global footprint.

Taking the iron ore business global, the Company acquired a majority stake (51%) in Western Cluster Limited (WCL), during the year for US\$ 90 million equivalent to



Mining operations at Codli, Goa

51%

Western Cluster

₹ 411 crores. WCL is a logical and strategic fit with Sesa's existing iron ore business and secures access to attractive mining assets with long life having potential iron ore resources in excess of over a billion tonnes together with a significant upside opportunity. The Western Cluster Project presents an excellent opportunity for developing a large integrated mining operation and establishes our presence in Liberia in the upcoming iron ore hub in West Africa.

During the year, Sesa Goa Limited along with its subsidiary, Sesa

20%

Cairn India

Resources Limited acquired 20% of the share capital of Cairn India Limited for ₹ 13,075 crores. Cairn India is a unique oil and gas exploration and production platform with the second largest oil reserves in India. Cairn India has a proven management team and low-cost production base. Its key producing asset, representing 25% of India's total oil production, has been substantially de-risked. It is a low operating cost, long life asset with the ability to increase its production plateau.

Cairn India is the largest private crude producer in India and operates the largest producing oil field in the private sector. Cairn India's world-class resource base includes interests in nine blocks in India and one in Sri Lanka, of which three are operating blocks. These ten blocks are located in three strategically focused areas – one block in Rajasthan, three on the west coast of India and six on the east coast of India, including one block in Sri Lanka.

The Rajasthan block, Mangala discovery in 2004, is India's largest onshore oil discovery in the last 20 years, with over 7.3 billion barrels of oil reserves and resources (R&R) in place. Its world class assets in Rajasthan currently contribute more than 20% of India's production.

100% Goa Energy

The Company acquired 100% of the outstanding common shares of GEPL for an enterprise value of ₹ 104 crores on a cash-free debt-free basis, including working capital of ₹6 crores. GEPL owns and operates a 30 MW waste heat recovery power plant in Goa which utilises the waste heat and gases from Sesa's coke making and pig iron facilities. With the commissioning of the new 30 MW waste heat recovery power plant (as part of the pig iron and met coke expansion project), the Company now has a 60 MW eco-friendly power generation capacity, which is more than its own consumption requirements in Amona and other places in Goa, the excess being supplied to the Goa electricity department.

Western Cluster Limited



Diamond Drilling in Bomi, Liberia

The general region of West and Central Africa – from Mauritania in the north to Angola in the south – has long been recognised as having the potential to host major iron ore provinces rivalling Australia's Pilbara and Brazil's Iron Quadrangle and Carajás regions. Over 34 bt of iron ore resources have been identified in the Western African region, with the potential to develop into a +100 mtpa iron ore exporting region. Several major players, such as Vale, BHP, Rio Tinto, Wuhan Steel, Arcelor Mittal, Severstal, have already secured their presence in this region of Africa. In the 1980s, Liberia was amongst the top iron ore exporting countries in the world.

The WCL project comprises 3 deposits namely Bea Mountain (923 mt), Mano river (80 mt) and Bomi Hill (50 mt) located at distance 70-140 km from Monrovia. The Company

has access to one erstwhile rail corridor to Monrovia port and two piers in Monrovia port which need to be rehabilitated. It is envisaged that the project will be executed in phases starting with the brownfield mines at Bomi Hills. The mines at Bomi Hills and Mano River are primarily brownfield in nature and were major producers of iron ore in 1980s. The presence of significant large size resources in close proximity to port facilities positions Sesa strongly in its West Africa presence.

The Company has completed an aeromagnetic survey of the deposits, which has indicated a significant upside potential to the existing resource base of 1 bt. The Company is in the process of completing its scoping study on Liberia project and has started exploration.

Sesa Sterlite – Merger Announcement

On February 25, 2012, the Company announced the proposed merger of Sterlite Industries (India) Limited with Sesa Goa Limited along with Madras Aluminium Company Limited (MALCO), Sterlite Energy Limited (SEL) and Vedanta Aluminium Limited (VAL). The name of the Company is proposed to be changed from Sesa Goa Limited to Sesa Sterlite Limited.

This merger will foster the creation of one of the world's largest diversified natural resources companies and the merged entity will have exposure to

zinc-lead-silver, iron ore, oil & gas, copper, aluminium and commercial power with assets located in India, Australia, Liberia, South Africa, Namibia, Ireland and Sri Lanka.

Sesa Sterlite will have a world-class, low-cost asset base in close proximity to high growth markets. Increased diversification is expected to reduce volatility of earnings through commodity cycles, lowering the cost of capital and enhancing value. This will lead to significant operational, capital and corporate synergies, including economies of

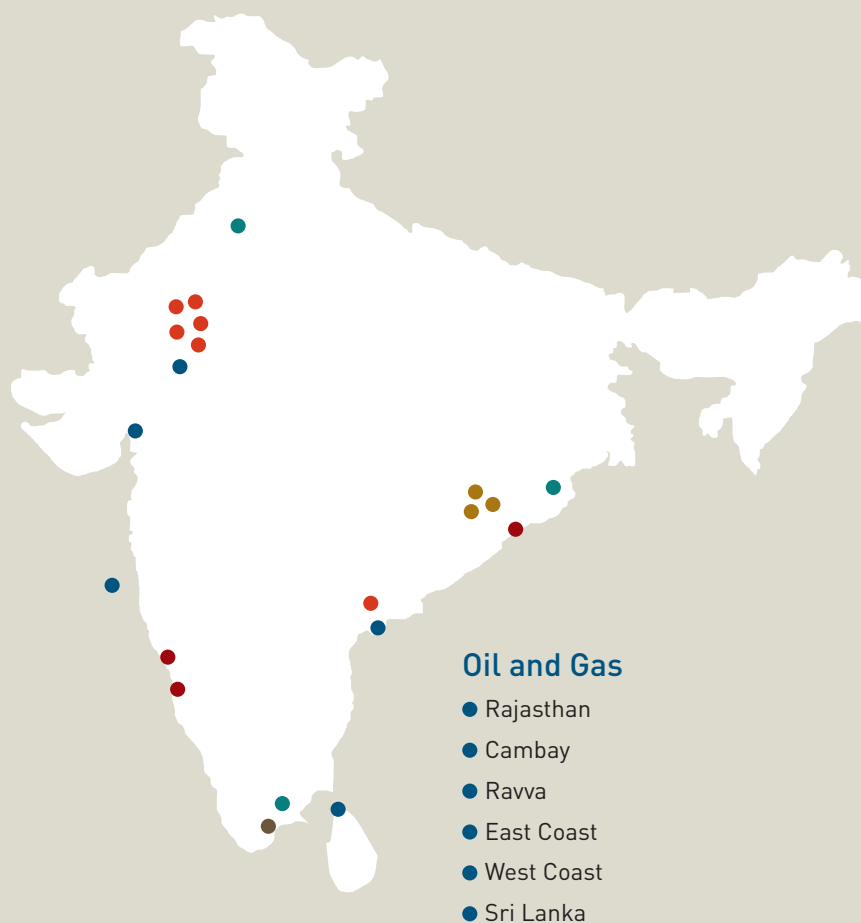
scale, leveraging technical expertise, improved allocation of capital and corporate cost savings including tax efficiencies.

The proposed Schemes of Amalgamation are pending for regulatory and other statutory approvals including those from the members and / or the creditors of the respective companies and would be effective on various specified dates.

Creating Sesa Sterlite:

- India's natural resources champion and expected to be seventh largest global diversified natural resources major by EBITDA of CY 2011
- World-class, low cost assets in close proximity to high-growth markets
- Growth capital largely invested, capacity expected to double in the next three years
- Greater scale and diversification reduces volatility of earnings for Sesa Sterlite
- Cash generative business supported by a strong balance sheet
- Sesa Sterlite will be listed in India, with American Depositary Shares (ADS) listed on the New York Stock Exchange (NYSE)

A Global Diversified Natural Resources Major



Transaction Highlights

- Merger of Sterlite into Sesa, 3 Sesa shares to be issued for every 5 existing Sterlite shares
- VAL and MALCO to be 100% consolidated into Sesa Sterlite
- Transfer of Vedanta's direct holding of 38.8% in Cairn India Limited (CIL) to Sesa, together with the associated debt of \$5.9 billion, at cost; post the transfer, Sesa Sterlite will have a 58.9% shareholding in CIL

The Company has made applications to various regulatory authorities seeking their approvals to the scheme and is already in receipt of the approval of the stock exchanges where its shares are listed, and the Competition Commission of India. The application of the Company before the Foreign Investment Promotion Board is under consideration.

The Company has also submitted the scheme for the approval of relevant courts and to seek their directions for convening meetings of its shareholders and creditors,

as may be necessary under applicable laws. The notices of such meetings, along with copies of the Scheme and other relevant documentation, shall be provided by the Company to its shareholders and creditors, in compliance with applicable laws and directions issued by the courts.

The merger announcement is subject to compliance with all applicable laws, including the legal requirements of all the jurisdictions in which the distribution is made, and the rules and regulations of all applicable stock exchanges.

Power

- Talwandi Sabo
- Jharsuguda power
- MALCO power plant

Aluminium

- Lanjigarh alumina refinery
- Jharsuguda smelter
- Korba smelter and power plant
- BALCO coal block

Copper

- Tuticorin copper smelter

Iron ore

- Sesa Goa operations

Zinc-lead-silver

- Debari smelter
- Chanderiya smelters
- Rampura-Agucha mine
- Rajpura mine / smelter
- Zawar mine
- Sindesar Khurd mine
- Vizag zinc smelter

Liberia



Iron ore

- Western Cluster

Australia



Copper

- Copper Mine of Tasmania

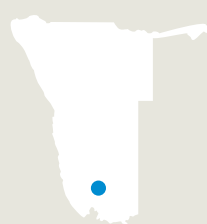
Ireland



Zinc-lead-silver

- Lisheen

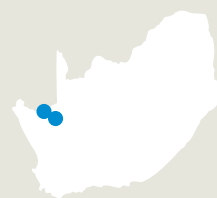
Namibia



Zinc-lead-silver

- Skorpion

South Africa



Zinc-lead-silver

- Black Mountain
- Gamsberg

Map not to scale

Market Review



Stacking processed iron ore at Codli, Goa

Sesa Goa Limited is part of the Vedanta Group, and drives the ferrous mineral business. While the Company's core business is mining and it is the largest private sector producer and exporter of iron ore in the country, the Company also produces pig iron, met coke and provides coke making technology. It has made substantial investments in expansion of pig iron and met coke operations, to leverage its position as a premier and biggest domestic producer of pig iron. The eco-friendly non-recovery coke making technology is patented.

While each of these business segments has its own focussed market, the economic and environmental variables impacting the overall iron and steel industry have a strong impact on all the businesses. Contemporary developments in the domestic iron ore industry had a significant impact on the pig iron, and thereby, the met coke sectors during the year.

Over and above these domestic industry issues, global economic

sluggishness in the wake of the past years' slowdown had an impact on market segments and outlook for businesses.

Macro-Economic Developments

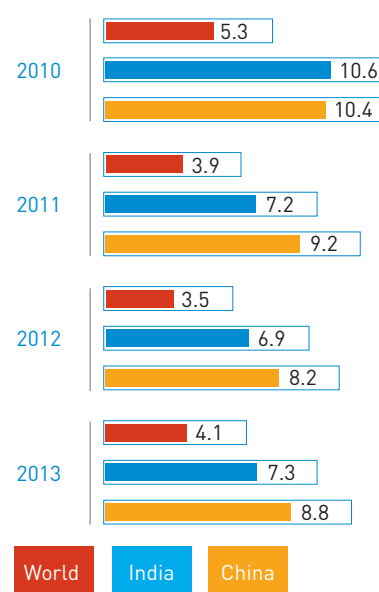
The dark clouds of yesteryears' global recession only fuelled the uncertainty surrounding the global economy in 2011-12, whether it would succumb to another downturn or recover. Despite the shadow of the 2008 financial crisis and the turmoil generated by the intensifying fiscal crisis in Europe, global output is estimated to have expanded by a healthy 3.9% in 2011.

The Chinese economy saw a moderate growth in of 9.2 % in 2011, despite its tightening initiatives, which included raising interest rates and reserve ratios for banks among other measures, to ensure a sustained growth rate.

China has been the major driver of metals demand and higher prices, as the country consumed large quantities of metals for its internal

infrastructure and manufacturing needs. While the growth rate for metal demand in China is expected to moderate over the coming decade, in the longer term, demand will remain robust. As it moves from being a significantly export-driven economy to a domestic consumption economy, the metals demand is expected to decline from current levels to

Chart 1: Global GDP Outlook (%)



Source: IMF estimates

relatively sustainable levels, propped up by urbanisation and infrastructure needs. Urbanisation has been the driver for economic and social transformation in China, and this is expected to be a feature of the overall economy, as it extends beyond the Eastern regions of China.

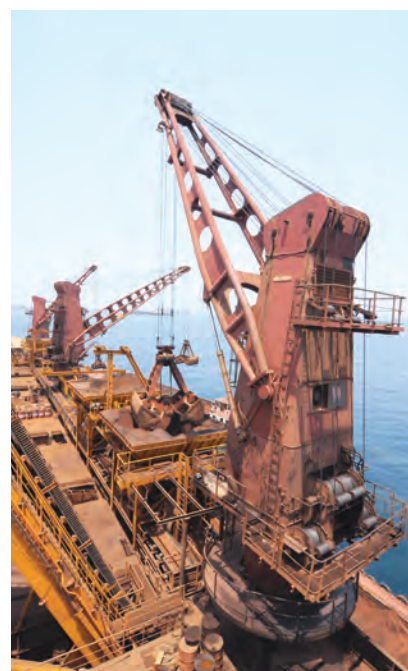
India is considered the next China in terms of its consumption of commodities, given its growing population and needs for development and infrastructure. Despite maintaining a healthy demand growth rate, India's consumption of world metals has however risen only to 3% in the last decade, as compared to 2% in 1990, owing to the nature of its economic structure, investment patterns, sector growth trends, trade and policies. Also, the pace of its metal demand growth has only been half of China's pace. To reach China's current consumption levels, India's metal demand will have to increase at 15% per annum for more than two decades.

India's per capita apparent steel consumption at 51 kg remains significantly lower than China's 454 kg per capita consumption and South Korea's 1,082 kg per capita.

Further, the current levels of urbanisation are at a low 29%, almost half that of China. A continued healthy longer-term demand appears an increasingly likely scenario.

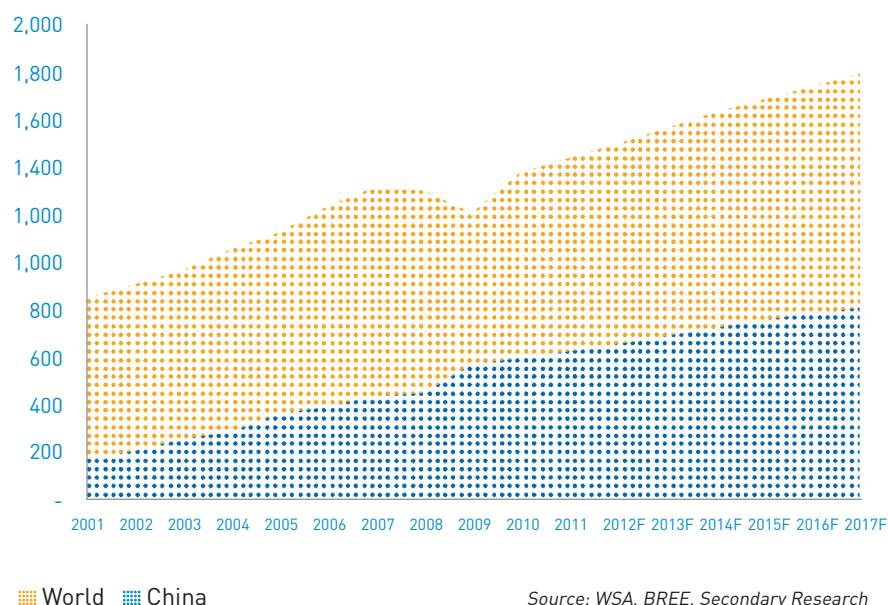
Global Steel Outlook

The recovery of steel demand in the world is expected to be moderate while most of the emerging and developing economies are estimated to enjoy robust growth in their steel demand.



Transshipping operation, Goa

Chart 2: Apparent Steel Consumption (mt)



Source: WSA, BREE, Secondary Research

World Steel Association (WSA) forecasts that global apparent steel use will increase by 3.6% to 1,422 mt in 2012, following growth of 5.6% in 2011. In 2013, it is forecast that world steel demand will grow further by 4.5% to around 1,486 mt.

As per WSA estimates, China's apparent steel use in 2011 increased by 6.2% with 2012 & 2013 steel demand forecast to maintain a 4.0% growth rate bringing China's apparent steel use to 648.8 mt in 2012 and 674.8 mt in 2013. In 2012, India's steel use is forecast to grow by 6.9% to reach 72.5 mt. In 2013, the growth rate is forecast to accelerate to 9.4% on the back of urbanisation and surging infrastructure investment.

The global steel output in 2011 increased to 1.5 bt from 1.4 bt in 2010 and the global seaborne iron ore trade increased from 986 mt in 2010 to 1,090 mt in 2011 (an increase of 11%).

Financial Performance

Financial information is presented on an accrual basis under the historical cost convention to comply in all material respects with the Generally Accepted Accounting Principles in India as adopted for use in India and the relevant provisions of Companies Act 1956. The reporting currency of Sesa Goa Limited is Indian Rupee INR (₹).

Table 1: Abridged Profit and Loss Account of Sesa Goa Limited, on a consolidated basis

Particulars	₹ in crore	
	2011-12	2010-11
INCOME		
Sales/Income from Operations	9,057	10,200
Less: Excise duty	79	64
Less: Ocean freight	668	943
Net Income from Operations	8,310	9,193
EXPENDITURE		
Purchase and other material consumed	973	858
Employee benefit expenses	268	207
Other expenses	3,568	2,936
Operating PBDIT	3,501	5,192
Exceptional item	66	-
Depreciation	106	96
Interest and other charges	434	87
Interest dividend and other income	234	551
PBT	3129	5560
Provision for taxation	1021	1338
PAT	2108	4222
Income from Associate	588	-
Consolidated PAT after minority interest	2696	4222

In 2011-12, Sesa's operating profit declined by 33% to ₹ 3,501 crores, due to increase in export duty, lower sales volumes on account of ban in mining operations in Karnataka, closure of Orissa operations and transport and logistics bottlenecks in Goa.

We are expanding existing roads and establishing road corridors at Goa to reduce these bottlenecks. The profits would have improved further if not for the disruption in mining operations in Karnataka and logistics constraints in Goa. Operating cash profit (PBDT) declined by 43% to ₹ 3,235 crores in 2011-12.

Amidst the tough operating conditions significantly impacting the iron ore business, Sesa delivered a PAT of ₹ 2,696 crores including additional income as share of PAT from associate company, Cairn India Limited, from December 8, 2011 .

During the year, Sesa made strategic investments into 20% stake in Cairn India Limited at ₹ 13,075 crores, 51% stake in Western Cluster Limited at an acquisition cost of ₹ 411 crores and 100% stake in GEPL at ₹ 104 crores. As on March 31, 2012, Sesa's balance sheet has a net debt of ₹ 3,734 crores and a cash equivalent of ₹ 592 crores.

₹ 2,696 crores

Profit After Tax

₹ 3,500 crores+

Contribution to Exchequer

₹ 13,075 crores

20% in Cairn India

Business Segments

Sesa's aim is to be a leading global low-cost producer of iron ore, with an impeccable track record of operational safety, while maximising shareholder value. With this driving commitment, teams at Sesa are working towards achieving excellence through a systematic approach to exploration and mining, continuously seeking innovation in operations and technological up-gradation of its processes.

Sesa's primary business is iron ore. It is engaged in exploration, mining and processing of iron ore, with domestic mining operations carried out in the states of Goa and Karnataka in India. In FY 2012, it has extended its operations to Liberia in Western Africa, in line with its above aim to deliver greater stakeholder value by scaling up operations through organic / inorganic growth. The acquisition and development of Western Cluster Limited will unlock significant benefits for all its stakeholders, including shareholders, employees and, importantly, the communities in which it operates.

The Company has diversified operations into manufacturing of metallurgical coke and pig iron, operated as independent businesses of Met Coke Division (MCD) and Pig Iron Division (PID) respectively. It embarked on a capacity expansion programme during 2010-11 in both these businesses; the completion of this new pig iron facilities will make Sesa the largest producer of low phosphorus pig iron in India with an installed capacity of 0.625 mtpa.

Charts 3 and 4 depict the share of each of these operating businesses in Sesa's consolidated external revenues and consolidated profits (profit before tax, interest, dividend and non-allocable items) respectively.

Iron Ore: This is Sesa's core business segment and contributed to 89% of consolidated external revenues and 98% of segment profits in 2011-12. The Company has a niche positioning with cost-competitive iron ore mines that are relatively nearer to ports with part of the distance covered by waterways, to support the global seaborne iron ore trade.

Pig Iron: This business, carried out through the independent business unit PID, contributed 9% to total external revenues in 2011-12 and its share in segment profits was 1.5%. The business focuses mainly on the domestic Indian market, especially on foundries and steel mills in western and southern India. It has also extended its reach in the exports market to the Middle-East and South East Asia countries.

Met Coke: The met coke business is primarily a backward integration initiative to support the pig iron business, with 62% of its sales to the PID, and the balance sold externally. During the year 2011-12, it contributed 2% to total external revenues and its share in segment profits was 0.5%.

A detailed perspective of developments in each of these businesses is given in the ensuing part of the report.

Segment Share in Sesa's Consolidated Performance

Chart 3: Segment Profits

(%)

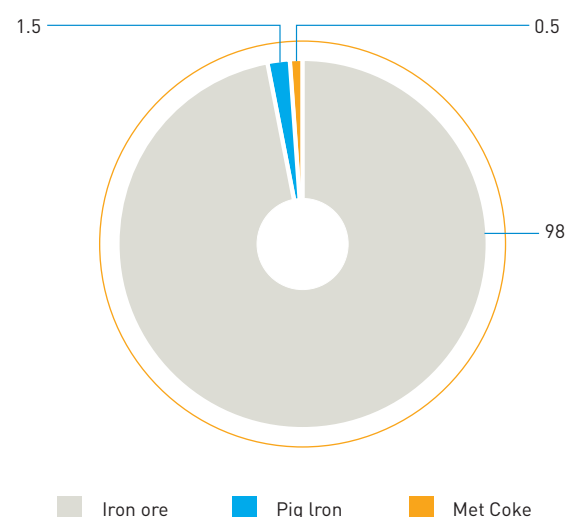
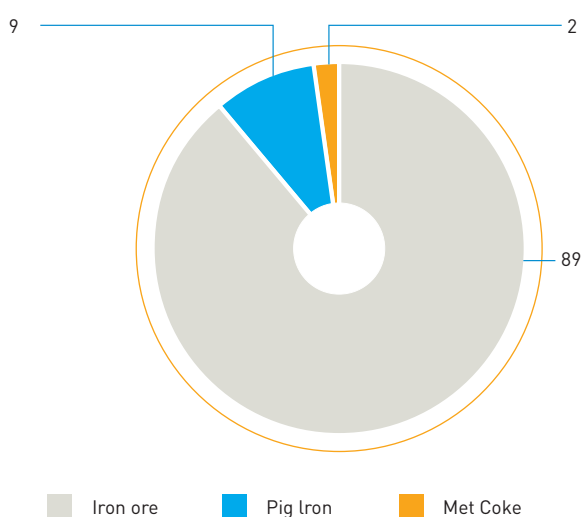


Chart 4: External Revenues

(%)



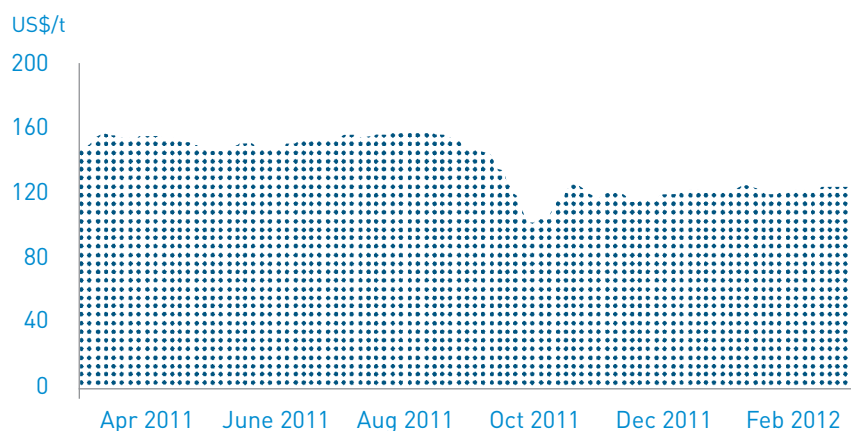
Iron Ore

Markets

Spot prices witnessed a drop between mid-September and end-October due to weak iron ore demand across the world. Since November, the sentiment improved and normal purchasing activities returned in China allowing a gradual and partial bounce back in iron ore spot prices. While the year-end prices remained at a level lower than experienced during the early part of the year, on an overall basis, the average prices remain range-bound averaging similar levels as seen in FY 2011.

The average spot iron ore price for 2011-12 was a little lower than US\$ 150 per tonne (63% grade FOB price) level, marginally above the average for 2010-11. Prices were range bound driven by fluctuating global steel production, and iron ore demand, combined with seasonally constrained supply from Australia, Brazil and India. The recovery of steel demand in the world is expected to be moderate while most of the emerging and developing economies are estimated to enjoy robust growth in their steel demand.

Chart 5: Iron Ore Price Movement (63% Fe, FOB)



Source: Mysteel Index



Mid-Sea loading using Transhipper, Goa

World Steel Association (WSA) forecasts that global apparent steel use will increase by 3.6% to 1,422 mt in 2012, following growth of 5.6% in 2011. In 2013, it is forecast that world steel demand will grow further by 4.5% to around 1,486 mt.

As per WSA estimates, China's apparent steel use in 2011 increased by 6.2% with 2012 & 2013 steel demand forecast to maintain a 4.0% growth rate bringing China's apparent

steel use to 648.8 mt in 2012 and 674.8 mt in 2013. In 2012, India's steel use is forecast to grow by 6.9% to reach 72.5 mt. In 2013, the growth rate is forecast to accelerate to 9.4% on the back of urbanisation and surging infrastructure investment.

The global steel output in 2011 increased to 1.5 bt from 1.4 bt in 2010 and the global seaborne iron ore trade increased from 986 mt in 2010 to 1,090 mt in 2011 (an increase of 11%).

Iron ore seaborne supply may continue to be tight for at least a few years to come. With limited additions in seaborne capacity and with Chinese domestic iron ore production flat out, market looks likely to remain tight in 2012. In 2011, the Chinese import of iron ore increased to 686 mt, an increase of 12.6% over the previous year.

Rise in export taxes and rail freight costs have significantly increased Indian export costs. With continued

ban on exports from Karnataka and regulations and high costs in other locations, the iron ore exports from India has dropped to 79 mt in 2011 (a drop of 18.5% as compared to the previous year). The supply side was further affected with weather related disruptions curtailing Brazilian and Australian iron ore supplies.

Over the last few years, the iron ore market has shown a gradual move away from the fixed annual pricing contracts which dominated the market for decades. Major seaborne suppliers have moved their contract prices from quarter lag to shorter term pricing systems and a similar trend was followed by smaller players in the industry. In line with the market, Sesa has gradually moved away from long-term fixed-price contracts, in most cases, making the strategic shift towards fixed quantity index linked contracts, which provide the security of secured quantities with the prices linked to indexes.

Operations

During the year, the Company faced a number of external challenges such as the ban on mining in Karnataka since August 2011 and logistics constraints in Goa, which made it difficult to achieve the company's targeted production and sales volumes. The Company launched several internal operational initiatives to mitigate the impact of these challenges, which enabled the company to produce 13.8 mt of iron ore, a 27% decline compared to the 18.8 mt of the previous year. Volumes were lower primarily due to the Karnataka mining ban and the discontinuation of Orissa operations.



Command and Control Centre, Bicholim, Goa

Our operations strategy is focused on asset optimisation and continuous improvement through the implementation of best practices and latest technology. With this objective, the Company introduced a slew of modern technology-based solutions over the last two years. Further to the successful implementation of the ubiquitous and proven Supervisory Control and Data Acquisition (SCADA) system at the plants (enabling engineers to monitor and control processes), RFID trackers (for tracking ore-laden trucks within and outside the mining areas) and online real-time barge monitoring system (enabling logistics managers to optimise and track the movement of every single ton of ore being shipped by the Company), this year, the Company added the final piece of the jigsaw puzzle. With the rolling out of the Command and Control Centre (C&C), during the year, the Company completed modernising the entire mining operations and integrated the monitoring and optimisation of the entire value chain.

C&C is a central location which monitors and controls the entire mining operations. The C&C enables real-time monitoring of mining, processing and logistics key performance indicators (KPIs). It also maintains discipline in day-to-day operations by real-time reporting of alarms and exceptions.

Vital Signs Monitoring Systems (VSMS) monitors the real-time operational health of the heavy earth moving machinery (HEMMs) through sensors and reduces downtime through the optimum implementation of condition-based maintenance practices, which results in extended equipment life, improved equipment reliability, thereby maximising production and reducing costs.

The Truck Dispatch System (TDS) dynamically allocates dumpers to excavators using relative positioning of the dumpers using GPS. This results in better utilisation of production resources. Further, through a "Speed Alert", this also helps in controlling speed of trucks and provides immediate feedback to equipment operators to reinforce desired behaviour.

Sales of iron ore was 16.0 mt in 2011-12 as compared to 18.1 mt (16.4 mt excluding Orissa) in the previous year, due to the continued mining ban in Karnataka and logistics bottlenecks in Goa. The Company is expanding existing roads and establishing exclusive road corridors in Goa to reduce these bottlenecks. Of this, in Karnataka, we sold 2.7 mt during the year, including 0.9 mt through the Court-sponsored e-auctions of inventory.

The below Table 2 provides the breakup of the Company's production at, and sales from, different regions of its operations.

Table 2: State-wise Production & Sales (mt)

Iron ore	2012	2011
Sales	16.0	18.1
Goa	13.3	14.3
Karnataka	2.7	2.1
Orissa	-	1.7
Production	13.8	18.8
Goa	12.7	14.4
Karnataka	1.0	3.0
Orissa	-	1.4

Table 3 gives the regional distribution of the Company's sales. While China remains the predominant geography, the Company is focusing on developing other markets. With the growth in the domestic Indian steel industry, there is a growing emphasis on domestic iron ore sales.

India's share of Sesa's total iron ore sales has increased from 10% in 2010-11 to 20% in 2011-12. Similarly, the share of Japan and Korea has marginally increased from 10% to 11%.

Table 3: Share of Sesa's Total Iron Ore Sales (%)

	2012	2011
China	69%	77%
India	19%	10%
Japan & Korea	11%	10%
Europe	1%	2%
Others	-	1%

Exploration

Any natural resource based business with long term growth priorities must be backed by strong exploration skills and efforts. At Sesa, exploration initiatives are driven by its focus on sustainable growth. With this objective, the Company is continuously looking to add to its reserves and resources through exploration, acquisitions and also through new mine leases.

During 2011-12, over 45,700 metres were drilled. This resulted in a net addition of 68 mt to the Company's reserves and resources base in 2011-12.

Table 4: Reserves & Resources Trend

Year	Net Addition	Acquisition	Total R&R
2008-09	38	-	240
2009-10	43	70	353
2010-11	32	-	306^
2011-12	68	1,000*	1,374

^ Excluding Orissa

*Estimated addition of 1,000 mt in FY 2012 (~330 mt of saleable ore) in Liberia

As on March 31, 2012, total reserves and resources at the mines that the Company held on lease and / or right to mine stood at 374 mt (excl. resource base at Liberia). The reserves and resources position has been independently reviewed and certified as per Joint Ore Reserves Committee (JORC) standards.



Inspecting Drill Core at Bomi, Liberia

Regulatory Concerns

The Indian iron ore industry is in a continued state of flux grappling with ever-changing dynamics on multiple fronts. Firstly, the industry as a whole is facing increased challenges with social licensing as a result of the competition for resources, especially land. With current increasing mineral prices being relatively at a higher level than historically, there is increased social pressure on the extractive industries to share more benefits with the society for earning and retaining their 'Social License to Operate'. Finally, as the regulatory regime across industries undergoes modifications, the mining industry in particular is facing increasing challenges (including corrective actions to tackle misuse / illegal operations).

Karnataka Operations

On August 26, 2011, the Honourable Supreme Court of India ordered a ban on iron ore mining operations in Karnataka. The Court also ordered the sale of existing inventory by e-auction through a Government

appointed agency. As a consequence of this ban, the mining operations of Sesa's unit in Karnataka were stopped. Following the submission of the Central Empowered Committee report to the Supreme Court in February 2012, the Company expects a resolution in this matter in the near term. The Company continues to take all legal measures to protect its interests in this matter.

Goa Operations

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.

Export Duty

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 5% to 20% effective from March 1, 2011 and then again from 20% to 30% effective from December 30, 2011.

Mines and Minerals Development Regulations Act

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% ad valorem).



Minimising Barge Turnaround Time & Maximising Ore Transportation

Barge Transportation in River Mandovi

Sesa's Goa operations have the unique cost advantage of utilisation of river routes for transportation of ore from the Company's mines to the port for onward shipment to customers. Barges are used for transporting iron ore cargo from the jetty loading points to the transhipper, which loads the cargo onto the customer ship.

Along with logistics from the mine to the barge loading jetty, the capacity of river routes, i.e.; barge carrying capacity, is crucial to overall sales capacity. Towards capability building for higher volumes, Sesa's River Fleet & Shipping team targeted maximisation of transportation of ore by minimising barge turnaround times.

LEAN industrial engineering techniques were used to identify value-adding and non-value-adding activities in the process. The team

mapped the "as-is" process using the SIPOC technique, followed by a root cause drilldown and cross-functional brainstorming session.

Three year baseline data for each activity was collected and, applying process industrial engineering techniques, the team identified non-value-adding time and identified solutions for improved efficiencies. A new barge management software was also rolled out, which provides real-time GPS tracking, monitoring and allocation of barges to optimise barging capacity.

With the implementation of various industrial engineering measures, tweaking of operational aspects based on analysis, and the barge management system, the team has achieved a commendable reduction in turnaround time from 38 hours to 24 hours.

Pig Iron & Met Coke

Levies of export duties, social contribution levies, royalties, etc., continue to pose significant cost challenges to the iron ore mining industry affecting its competitiveness on the global front.

Pig Iron

The Company's Pig Iron Division (PID) commenced its operations in 1992, and was the first to introduce low phosphorous foundry grade pig iron in India. The PID's facility consists of two blast furnaces; each having a working volume of 173 m³.

With the imminent commissioning of the third blast furnace of 450 m³ capacity, Sesa's PID would be the largest producer of low phosphorous pig iron in India with an installed capacity of 0.625 mtpa. PID produces several grades of pig iron, including basic, foundry and spheroidal (nodular) grades that cater to steel mills and foundries in India and abroad. PID also produces slag as a by-product which is sold to the cement industry. The demand for pig iron fluctuated throughout the year. Further, it was severely impacted by the scarcity (and irregular supply) of high grade iron ore from Karnataka, due to the Karnataka mining ban since August 2011. However, PID operated its blast furnaces throughout the year with the support of iron ore from Sesa's Goa iron ore operations and high-price Karnataka ore inventory sold through e-auction as per the Supreme Court directive, and catered to the needs of valuable customers. Overall, production reduced by 10% from 276,117 tonnes in 2010-11 to 248,729 tonnes in 2011-12.

PID adheres to the best standards of quality, environment, health and safety, with an exemplary record of safe operations. It is certified to ISO 9001, ISO14001 and OHSAS18001 systems for quality, environment and safety respectively, through a third party certification agency, Bureau

Veritas Certification (India) Pvt. Ltd., formerly known as BVQI. PID's R&D activities have resulted in reduction in operating costs, improvement of product quality and development of new products for downstream industries. It has developed special grades of pig iron to cater to the fast growing niche market of ductile iron castings in India.

Met Coke

Sesa's met coke division is operated as an independent business unit, Met Coke Division (MCD). The business is primarily a backward integration initiative to support pig iron operations, with 62% of the met coke output consumed internally in 2011-12.

MCD at Amona produces a range of coke fractions from over 70 mm for foundries, 20 mm to 60 mm for blast furnaces, and 6 mm to 25 mm for the ferrous alloy industries. The product is mainly low-ash coke. The principal input, low-ash coking coal, both hard and semi soft coking coals, is imported and, to ensure stable raw material supply, the Company enters into long-term procurement contracts. Coking coals of different types are carefully blended with precision controls to produce the desired high-quality low-ash met coke, using the cost-effective eco-friendly proprietary Sesa Energy Recovery Coke Making Technology. This process produces high quality met coke, and has the lowest pollution levels among comparable technologies.

There was moderate growth in production and external sales. However, profit margins increased significantly due to higher sales realisation with an increase in global prices of met coke.

- Sales volume (internal & external) was at 251,264 tonnes in 2011-12
- External sales revenues increased by 24% to ₹ 200 crores in 2011-12
- Profits before interest, tax, dividends and other non-recurring

With the imminent commissioning of the third Blast Furnace of 450m³ capacity, Sesa's PID would be the largest producer of low phosphorous pig iron in India with an installed capacity of 0.625 mtpa.

or non-allocable incomes for the met coke business decreased from ₹ 89 crores in 2010-11 to ₹ 16 crores in 2011-12

Expansion Projects

The Company is in the final stages of commissioning its expansion project for the pig iron and met coke manufacturing facilities. With the commissioning of the 450 m³ blast furnaces and 2 batteries of 36 coke ovens each, the Company's overall pig iron production capacity increases to 625 ktpa and met coke production to 560 ktpa. The project also comprises of 800,000 tonnes sintering facility that would enable the PID to partially meet its iron ore requirement with sintered iron ore fines, resulting in significant cost savings and increasing efficiencies.

Coke Making Technology

Sesa has developed a technology for non-recovery coke making, which is environment friendly, characterised by low capital and operating costs, high levels of energy recovery, and has the capability to produce high quality met coke. The Company has received a European and an Indian patent for this technology.

In addition, the Company has introduced a German technology for densification of coal charge, employing vibro-compaction for producing stable coal cake with bulk density. The met coke division has also set up a state-of-the art coal carbonisation laboratory for coal characterisation and evaluation of coke quality.

Risks and Uncertainties



Sesa has a robust system of internal controls that helps protect the interests of the Company and its assets from unauthorised use or disposition. This includes a system of documented policies, guidelines and procedures, reviews by management and extensive internal audits by reputed international audit firms.

As with any enterprise, Sesa faces several risks. The main macro level risks are given below.

Market Risks

Sesa exports over 81% of its iron ore production. Being a player in the global seaborne iron ore market, the Company's business is exposed to adversities in demand and supply. Moreover, with 69% (as against 77% in the previous year) of sales being exported to China, any slowdown in that economy can affect the Company's business. There are two mitigating factors.

First, Sesa's share of total Chinese iron ore imports is small and there continue to be various opportunities in China for the Company to increase its market presence.

Second, Sesa's low operations cost also acts as a significant assurance of its ability to ride out short term adverse market conditions. The Company continues to work towards diversifying its customer mix. In terms of its geographic market spread, in past few years, Sesa has been continuously reducing its exports to China.

Iron ore industry is highly concentrated with the top three producers accounting for more than 70% of the global seaborne iron ore trade. Such scale provides these players with a significant ability to affect competition, and pose a potential threat to the Company's exports. Sesa continues to focus on building relationships with major

customers and geographically diversifying its customer base.

Commodity Price Risks

Sesa's revenue and earnings are dependent on prevailing iron ore and pig iron prices, which are determined by the supply-demand scenario and raw materials prices. Commodity prices may fluctuate widely for all products affecting revenue and earnings. Sesa strives to maintain its operational costs at globally competitive levels in order to sustain through the commodity price cycles.

Regulatory Risks

Sesa is exposed to regulatory uncertainties facing the mining sector in India. In the last few years, the Company has been exposed to several changes in the regulatory environment including increase in export duty on iron ore to 30% for iron ore lumps and fines during the year. Periodically, non-tariff restrictions; export ban, mining ban, etc. are applied to various ores, similar to the one in vogue in 2011-12 in the state of Karnataka. Environmental regulation policies also remain unclear and prone to changes or changes in interpretation, and case-to-case administration of such regulations leads to uncertainty and risk in mining activities.

The Company's Liberia operations are exposed to the regulatory regime in Liberia. While the execution of Mineral Development Agreement with the Government of Liberia provides stability especially with respect to the fiscal regime, the Company remains exposed to regulatory changes in Liberia and to delays in requisite approvals for the project.

Operational Risks

Sesa adopts a sustainable production platform. Consequently, the addition of new mineral resources is critical for sustaining growth-oriented mining and production plans for the company. As on March 31, 2012, Sesa has total reserves and resources at 374 mt (excluding the resource base of 1 bt at Liberia). The Company continues to focus on adding new mineral resources through acquisition, exploration and the grant of new mining leases from central and state governments.

During the year, the company added 1 bt of resources by acquiring the assets of Western Cluster Limited in Liberia and, in addition, 68 mt of net reserves and resources were added through exploration activities at Goa and Karnataka.

The Company is exposed to the risks of delays in obtaining final

government clearances for increasing our current production capacities. Besides, delays in allocation of new mineral leases or changes in the policy on allocation of such leases in favour of captive steel companies could affect future plans of the Company.

The Company's operations are also exposed to a number of factors which are outside the company's control such as unusual or unexpected geological features, ground conditions; climatic conditions such as flooding, interruptions to power supplies; congestion at logistics facilities; industrial action or disputes; environmental hazards; and technical failures, fires, explosions and other incidents at a mine, processing plant or related facility.

Project Execution Risks

Sesa's aggressive growth plan is contingent upon the successful completion of investments in several

developmental projects including investments into the underlying infrastructure to support logistics of ore. These new investments require project management skills and have exposure to project execution risks. The Company's projects are exposed to technical uncertainties, delays in delivery of machinery and equipment, delays in erection and construction, delays in acquisition of land, escalations in costs, etc. The Company relies on its strong project execution and extensive mining experience to assess and mitigate identified project risks.

Currency Risks

With a majority of its iron ore being exported, Sesa's revenues are primarily quoted in US dollars. This gives the Company significant exposure to foreign exchange fluctuation risks, particularly in relation to the US dollar.



New 30 MW Waste Heat Recovery Power Plant, Amona

Human Resource



Reviewing first Drill Sections at Bomi

Sesa's human capital forms the bedrock of its quest to build a robust and agile world class natural resources company. The Sesa team has set itself ambitious goals in the path of its vision and the Company has witnessed exponential growth in terms of volumes, profitability and sustainability; driven by the excellent contribution of its focused, dedicated and productive human resource.

Sesa's employee strength in FY 2012 was 4,728 as against 4,757 in the previous year. In line with its philosophy to be an **equal opportunity employer**, the Company has emphasised improving diversity and opportunities to women employees. The gender ratio in the executive category increased from 11.7% to 15.6% over the last two years.

Over the past two years, the Company has strengthened its various HR initiatives with focussed interventions in continuous learning & development, leadership development and behavioural training. A structured mentoring program was launched for the smooth onboarding and effective acclimatisation of fresh talent into the Company's organisation culture and operating environment.

Sesa lays special emphasis on identifying and nurturing leadership talent within the organisation. One more batch of our leadership development program, Acceleration Competency Tracking and Up-gradation (ACT UP), was conducted this year and 27 **Stars of Business** were identified. ACT UP is a structured process to identify and nurture high performance and high potential employees towards building up a top talent pool for the group.

Several professionals from middle management level who are occupying critical positions and have shown potential to emerge as future leaders underwent the Gen-Next Operational Leadership Development (GOLD) programme. Based on their individual developmental needs, participants underwent coaching and skill-building workshops and 27 employees were identified as **Gen-Next Leaders**.

Sesa collaborates with reputed management institutes like Goa Institute of Management for conducting Management Development Programmes (MDP) for engineers to enable accelerated career growth of key performers. Around 120 Graduate Engineer Trainees underwent MDP during the year.

Running a world class operation requires leading-edge technical and functional skill sets. Sesa's learning and development initiatives focus on specific customised technical and functional modules for process and maintenance engineers and other functional executives, for their shop-specific needs, lending exclusivity to the programmes.

To facilitate continual improvements at the workplace and enhance productivity, training programmes are conducted on Six Sigma, 5S, Quality Circles and employees visit other best-in-class operations to gain exposure to global benchmark practices. About 230 people were covered under training programs on Structured Problem Solving, Quality Control Tools and Kaizen.

As part of its initiatives directed at employee health and all-round engagement in the organisation, the Company provides avenues to gather and participate in co-curricular activities, sports and other cultural events. Such activities not only inculcate better living and workplace camaraderie, they also showcase innate talent. During the year, the Company supported various sporting events like the Sesa Women's and Men's Cricket Premier Leagues, soccer and quizzing tournaments, in addition to various other cultural events.

Employee safety remains a top priority for the Company and in 2011-12, 900 employees were covered under **Suraksha Jagruti**, a customised program developed for Sesa on behavioural safety. It focuses on inculcating safety based mind-set and communicating the importance of safety at work and in personal life.

Health, Safety and Environment

Safety is the topmost priority at Sesa. The top management at Sesa, through the HSE team, steers the Company's initiatives on health, safety and environment (HSE) by setting annual targets and benchmarking progress in line with the organisations HSE and social policies. The emphasis is on integrating HSE into the operational decision making process. Today, all the Company's locations are certified for ISO 9001, ISO 14001 and OHSAS 18001. During the year, Sesa Goa Limited, on a standalone basis, has also been certified for SA 8000 at all its locations.

The HSE agenda is taken forward by management teams at each site, who are supported by HSE professionals who implement this agenda.

Occupational Health

The health and safety of the workforce is of paramount importance. The Company aims to provide a workplace that is free from any occupational hazards or illnesses. In compliance with statutory requirements, the health of all employees is checked annually across the group. In-house facilities for occupational health monitoring are available at the mines and factory sites. Dust, noise and lighting levels are regularly monitored to ensure workplace hygiene. The on-going evaluation of processes and operations continuously monitors potential hazards and takes proactive preventive measures for any risks identified.

The Company's doctors impart awareness about health and related issues to the employees and local communities, including schoolchildren, around the mining establishments promoting health and hygiene and prevention of communicable diseases. Food handlers from canteens undergo regular health and hygiene checks.

During 2011-12, there were no occupational illnesses reported in Sesa.

Safety

The Company aims for zero accidents and to ensure a safe working environment. This is promoted through a well-established system of checks and balances, a comprehensive and exhaustive system of reporting accidents and incidents including near-misses and thorough investigations to identify systematic safety deficiencies. Preventative measures are put in place for all identified gaps.

The organisation encourages employee participation in safety committees and safety promotional programmes and has institutionalised a culture of continuous sharing of safety lessons and best practices. The Company also encourages its employees to participate in ensuring safety at the workplace, inviting safety suggestions and recognising these suggestions with suitable rewards.

During the year, despite the company's best efforts to achieve zero accidents, a fatality occurred at Colomba mines where a security person lost his life in an unusual accident.

Through the continued efforts and disciplined application of best safety management practices, the Lost Time Injury Frequency Rate (LTIFR) declined from 0.86 in 2010-11 to 0.81 in 2011-12. Table 5 shows that there were improvements in LTIFR in the mining and the shipbuilding businesses, while it has increased in the shipping business. PID has achieved a second consecutive zero-accident year, while the Shipbuilding Division has achieved a zero-accident record for 2011-12.

Sesa believes in sustainable development in all aspects of its operations and over the years has created value for all stakeholders through responsible stewardship. Sesa is totally committed to the judicious use of natural resources while minimising the impact on people and environment.

The Company believes that this commitment towards sustainable development, by adopting leading global standards of health, safety and environmental management, contributing to the development of sustainable communities and engaging continuously with stakeholders, enhances organisation's life quality in tandem with the society around it and is also a source of inspiration for its continuing journey of excellence.

Sesa has, over the years, been preparing Sustainability Development Report, which adheres to GRI G3 A+ level of disclosures and also United Nations Global Compact principles (UNGC). Sesa will also follow the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business as laid by the Ministry of Corporate Affairs, Government of India, while drafting the Sustainability Development report for the year 2011-12

Since few years, the Company has been disclosing its carbon emissions, and strategies to minimise GHG emissions, through CDP reporting. During the year, Sesa was ranked 7th in the CDP India 200 Report, 2011.

Sesa aspires to enhance its work culture and atmosphere for all its employees to provide a suitable environment for their organic and sustained growth. In this endeavour, Sesa has been recently awarded the certification on SA 8000 standard, an international benchmark on 'Human Rights at Workplace'.

Table 5: Lost Time Injury Frequency Rate

	2011-12	2010-11
Mining (SGL)	0.39	0.74
Shipping	3.20	4.47
Shipbuilding	0.00	1.01
Met Coke	1.64	0.00
Pig Iron	0.00	0.00
Expansion Projects	1.00	-
SRL	2.08	1.42
SMCL	0.34	0.65
Sesa	0.81	0.86
Consolidated		

Environment

Mining implies exhaustible natural resources. It is essential to replenish, to the extent possible, and conduct extraction activities with minimal peripheral impact to the environment. Sesa is very conscious of this impact on the environment and is focussed on compensation of forestation and restoration of ecology to pre-mining levels. From afforesting and restoring exhausted mining sites to conserving water, managing solid waste and optimising energy consumption, the Company takes every possible step towards environment conservation and minimising the impacts on the surrounding environment and the community.

As evidenced in earlier reports, Sesa has always believed in responsible mining and continues to mine in ways that minimise negative impact of operations. The Company's responsibility does not end with operating the mine – it extends much after the mine site is closed. It ensures regeneration of the very earth that has been mined, helps sustain biodiversity and addresses the needs of local communities. In the long term, the goal is to return the land as close to its original state as possible.

Long before environment consciousness became de rigueur for the corporate world, Sesa had commenced initiatives to preserve and protect the environment. Today, there is a full-fledged environment management team to plan, implement and monitor environment

management programmes. The focus on environment is integral to and promotes:

- Pre-planning of mining operations
- Concurrent mining and reclamation
- Adoption of new and efficient technologies
- Modernisation of equipment
- Implementing new ways of operating to minimise negative impact on environment
- Conserving natural resources through efficient use
- Benchmarking and adopting best reclamation practices

During July 2011, incessant rains of about 200 mm in about 8 hours, following a week of continuous heavy rains in Goa, caused the embankment of a settling pond to breach. This occurred despite following the best mine management practices. The Company conducted a thorough technical investigation and has taken adequate measures to ensure that similar incidents do not recur in the future at any of the Company's mines.

Energy Conservation

The Company has established and implemented clear objectives under environment management systems for energy conservation. The set energy conservation targets are 3% to 5% at all locations. Projects for energy conservation are identified and undertaken in a systematic manner and are reviewed every quarter to ensure the benefits and targets of these projects are actually achieved.

In 2011-12, Sesa's specific energy consumptions were at 0.150 GJ/t, 0.666 GJ/t and 0.144 GJ/t in mining, PID and MCD respectively. Despite our continuous efforts on energy conservation measures and improvement in operational efficiencies, our consumption levels have increased compared to last year.

Water Conservation

The main focus of water management is to reduce fresh water consumption, increasing the use of harvested rain water and recharging groundwater,

reducing specific consumption and increasing recycling and reuse of treated effluent.

The Company follows the concept of zero discharge, with a robust system to undertake and monitor water conservation targets every quarter. Water conservation targets of 5-10% are part of the business plan every year, and accordingly water managers located at each of the sites identify water conservation projects in consultation with the operating team.

Water conservation is managed at all facilities through:

- Continuous use of recycled water for mining operations and for beneficiating iron ore, thereby reducing about 70% of fresh water consumption.
- The rainwater accumulated in mine pits is used for beneficiation and spraying. For e.g., the water requirement of PID and MCD is partially met from rainwater harvested in the exhausted Sanquelim mine pit.
- In case of Karnataka operations, ground water is used to meet dust suppression requirements. This is supplemented by rainwater harvesting in ponds during the monsoon, and used for the nursery plantations as well.

Climate Change

As part of its climate change initiatives, the Company measures and reviews its impact on the environment by mapping its carbon footprint periodically. The Company's Amona plants utilise waste heat recovery based power plants to generate 60 MW of electricity. The plants are registered with the UNFCCC generating CERs. About 101,129 CERs has been accrued during 2011-12. The Company has been ranked among the top ten companies in the Carbon Disclosure Leadership Index in India by The Carbon Disclosure Project (CDP), a UK-based independent not-for-profit organisation, in its CDP India 200 Report, 2011.

Corporate Social Responsibility

Sesa has a long term comprehensive approach to corporate social responsibility. This is achieved through stakeholder engagement and consultation process, socio-economic baseline studies and need-assessments, and partnering with like-minded organisations, including government agencies, NGOs, local communities and Panchayat bodies in the implementation of development of projects.

Sesa Community Development Foundation (SCDF)

SCDF is a registered Company under section 25 of the Indian Companies Act, established in the year 1998, to focus on specific interventions of community development. Under SCDF, Sesa runs two institutes namely Sesa Technical School and Sesa Football Academy

Sesa Technical School (STS)

STS in Sanquelim was established in 1994 in the vicinity of one of Sesa's earliest mines. STS aims at providing vocational training to youth, in and around Sesa's mining operations, providing them technical skills and knowledge to enable them earn a living. Students of STS specialise in the vocational trades of Machinist, Fitter, Electrician or Instrument Mechanic and secure placement with various reputed organisations. STS conducts campus placements with organisations returning every year to enrol students. The highlighting feature of STS is its consistent delivery of 100% pass results every year, consisting a considerable percentage of students passing in the first division. Reputed as one of the best ITIs in the state, STS has passed out over 750 students until 2011 all who are well placed in organisations. In 2011, Sesa started a second

technical school in Digas, Panchwadi to cater to the growing demand and needs of youth in areas around its South Goa operations. Further to the above trades, STS has introduced the Diesel Mechanic trade in the south STS. The south school has also enrolled its first girl student into its ITI programme.

Sesa Football Academy (SFA)

SFA, at Sanquelim, Goa, was established in the year 1999 with an aim to nurture the talent in Goa's young footballers. The academy at Sirsaim, Goa, started functioning from June 2008.

Sanquelim Academy: 36 young boys from Goa undergo professional training at the Sanquelim Academy. Once in two years, boys in the age group of 14 to 16 years are selected on merit and are provided with professional football training as well as a formal education. Over four years, these boys undergo intensive training to emerge as talented footballers, to pursue future professional football careers. As part of the training, the team competes in various tournaments across the country and over the years, the SFA team has won many championships.

The alumni of this academy play for some of the top teams in our country, with some having gone on to represent the Indian national team in select tournaments.

Sirsaim Academy: To further nurture this young talent, along with rigorous football training within a disciplined regime, a new Academy was started in 2008 and the new infrastructure at Sirsaim, Goa, was inaugurated on February 14, 2010. 30 boys undergo training at this academy. Built at a cost of more than ₹ 4 crores, it has a football turf maintained round the year by a professional agency, hostel facilities to accommodate 30 boys, fully equipped with an in-house gymnasium and other training facilities.

Over the last two years, SFA's Sirsaim Academy team has been an active participant in the Goa Professional League, besides participating in the 2nd division of the I-League, Governor's Cup and various other tournaments. Within 2 years of the academy coming into being, players graduating from the academy have been sought after by eminent professional football clubs with lucrative career options.



Zambian National Football Team's visit to Sesa Football Academy

It is another prominent feature of the SFA that while no other major football club in Goa has a football ground of their own, SFA has constructed two turfs on restored mining lands, going further to prove that mining can be made sustainable.

Need-based Interventions

Sesa initiates various developmental interventions in the key focus areas of health, education, agriculture, livelihood and infrastructure, which are undertaken in a highly structured and process-driven approach. The programmes are evolved based on the community's needs identified through consultative and intense stakeholder engagement and based on baseline studies.

Education

Education is an important area impacting the development and progress of a nation. Sesa believes in nurturing young talent for a brighter future. Sesa's efforts are focussed on formalising structured projects leaving lasting impact on students, parents and academicians. Key educational projects are:

Mining Engineering Degree Course:

Sesa has partnered with the Department of Education and the Goa Engineering College at Farmagudi, Goa to start a graduate programme in mining engineering (BE) targeted to meet the critical need of mining engineers in the country.

Technical School: Sesa, under the aegis of its SCDF, started the second Sesa Technical School in South Goa at Panchwadi, Goa, to meet the growing needs of the communities around the area.

Vedanta Computer Education

Program (VCEP) E-Shiksha: The e-shiksha project's objective is to promote e-learning in schools. It is a Computer Aided Learning Program (CALP). This project was implemented in partnership with the Directorate of Education, Govt. of Goa under the Sarva Shiksha Abhiyan drive of the Government of India. It is running in around 2,000 schools in Karnataka and around 400 high schools in Goa.

MANTHAN Project: The Manthan Project is a school-based intervention for adolescent health and education empowerment. The project is running in 15 schools across Goa benefitting over 4,489 students.

Sesa Dnyanjyoti Shishyavritti

Scholarship: Sesa has constituted and awarded scholarships to 378 meritorious students from 67 schools.

Other Interventions: Sesa distributed notebooks to 142 primary schools, 49 high schools and 7 higher secondary schools in Goa across different areas benefitting over 25,000 students, and distributed teaching learning kits to 91 primary schools benefitting about 4,000 children. Sesa has conducted an eye check-up campaign covering 43 schools benefitting around 12,000 children. Sesa also runs about 14 study centres benefitting around 300 students from rural and interior areas of Goa. Sesa organised a children festival for over 1,000 primary school children from 118 primary schools.

Health

Sesa's initiative is to meet the basic health needs of the community by creating healthcare facilities at the doorstep and to promote overall health of people across its areas of operation.

The programmes are need driven as well as proactive initiatives towards critical health issues. The programmes are aligned to the Millennium Development Goals of promoting maternal and child health and the eradication of diseases. The objective is to meet the basic health needs of the community. Listed below are some key health programmes.

Community Medical Centres & Mobile

Health Units: Sesa currently runs 10 community medical centres and two mobile health units which cater to the primary healthcare needs of the 12 villages, bringing this healthcare to their doorstep. Till March 2012, the total attendance at these centres was 163,022 people. The centres are run through reputed NGOs and provide free check-up and medication.

Anaemia Detection & Treatment

Campaign: With the objectives of early detection of cases of anaemia, awareness generation, sensitisation and its prevention, since 2008-09, the Company, in collaboration with the Directorate of Health Services, Govt. of Goa, is carrying out Anaemia Detection & Treatment Campaign for ladies (in the reproductive age group) in and around its business areas. The year-round campaign covering six villages has covered about 3,000 women till date. From November 2011, the campaign has been initiated in Dharbandora village. The first phase of implementation is over with an outreach of over 800 women.

'Drishti' Eye Check-up & Cataract

Treatment: The Company has conducted a mass awareness and eye-examination campaign covering 13 villages. The service was provided free of cost, covered more than 3,000 persons with 2,940 being provided spectacles and 195 undergoing treatment for cataract.

Balwadi Children Nutritional Improvement Programme: Aimed at the improvement of nutritional level of children in the Balwadi centres, this initiative provides for the periodic health check-up and monitoring of children and providing nutritional supplements. Presently, 426 children from 40 balwadi centres in seven panchayats are benefitted by this programme.

Blood donation on World AIDS Day: Blood donation by company employees has been an annual feature of employee volunteer programmes in CSR. Sesa celebrates World AIDS Day by organising blood donation camps in collaboration with Goa State AIDS Control Society. This year, 175 employees donated blood.

Paediatric Neuro Rehabilitation Centre at GMC: Sesa has supported the construction of a Paediatric Neuro Rehab centre in Goa Medical College (GMC), Bambolim in Goa, in partnership with the Directorate of Health Services. This centre is equipped with experts for speech therapy, physiotherapist for sensory and motor nerve problems, etc. This facility is one of its kinds in Goa and has provided relief to over 1,114 children suffering from Cerebral palsy.

Primary Health Centre, Odisha: Sesa is operating and managing a primary health centre (PHC) located close to its project area in PPP mode since August 21, 2010. The PHC has facilities for diagnosing and treating outpatients, a five bedded indoor patient treatment facility, facility for conducting institutional delivery, laboratory testing, conducting minor operations and also a 24 hour emergency service.

Sesa has a team of 14 personnel at the PHC who work towards providing health service to the community.

Since its inception, 73,698 OPD cases, 1,220 indoor patients, 83 institutional deliveries and 11,291 laboratory tests have been attended at the PHC. Medicines and treatment at PHC are provided free of cost.

Sustainable Livelihood

At Sesa, agriculture, watershed and women enterprise development are an indispensable part of sustainable livelihood initiatives. Sesa has tied up with expert agencies to create awareness, mobilise community and help establish alternate means of livelihood. Sesa works jointly with various watershed bodies and farmers clubs for its Back to Farming Project. Sesa has engaged the Centre for Development Planning & Research (CDPR), Pune to take up income generation programmes for women self-help groups.

Back to Farming – Agriculture

Rejuvenation Project: This project is an on-going initiative, an investment towards reviving paddy fields for sustainable results. In collaboration with zonal agriculture departments and farmers groups, efforts are made to revive paddy fields.

Over 300 hectares of land in the villages next to the Company's mines have been brought under cultivation producing paddy, vegetables, etc., which was possible through reconstruction of sluice gates and bunds. The Company continues to motivate farmers to bring barren land into cultivation with supply of seeds, fertilisers, irrigation facilities, power tillers, and manure, etc.

Hi-Tech Commercial Farming:

This year, the Company has taken an initiative to promote hi-tech commercial farming, polyhouse project, in collaboration with the Dept. of Agriculture, Govt. of Goa. Four polyhouse units have been setup for gerbera cultivation.

Women Empowerment: Women empowerment has been a major focus area of Sesa. Sesa has engaged the Centre for Development Planning & Research, an NGO, to organise self-help groups, motivate, train and provide exposure to income generating enterprises. Training is provided in various vocational and income generating courses. Currently, efforts are underway to help set up enterprises and establish market linkages that will fetch them a sustainable income.

Youth empowerment: Projects have been launched for empowering youth with an aim to promote alternate livelihood for sustenance. Local youth are trained in various courses in computers, financial accounting, computer engineering, driving, etc. in association with various bodies.

Cautionary Statement

Statements in the preceding Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the steel and iron ore sector, significant changes in political and economic environment in India, exchange rate fluctuations, tax laws, litigation, changes in environment regulations, labour relations and interest costs.



Health

Beneficiaries

- | | |
|-----------------------------|---------|
| 1. CMC- 10 centers | 149,318 |
| 2. MHU- 2 Units | 13,704 |
| 3. Health & Awareness Camps | 153,234 |
| 4. Neuro rehab center | 1,114 |

Education

Beneficiaries

- | | |
|--|--------------------------|
| 1. VCEP- 395 schools in Goa and 2,000 schools in Karnataka | 360,000 |
| 2. SFA | 141 |
| 3. STS | 750 |
| 4. Educational Aid to schools like Uniform, Notebooks etc. | 49,867 |
| 5. Balwadi and Children festival | 2,700 |
| 6. Voactional Tuition classes and evening study centres | 10,000 |
| 7. Manthan | 4,489 |
| 8. Sesa Dnyan Jyoti Shishyavriti | 57 schools, 670 Students |
| 9. Aanganwadi and Balwadi projects | 3,964 |



Special Projects

Beneficiaries

- | | |
|----------------------------|--------|
| 1. Gram Nirman | 13,856 |
| 2. ALOP (1,100 households) | 6,000 |

Women Empowerment

Beneficiaries

- | | |
|-----------------------------|-----|
| 1. Training course for SHGs | 500 |
|-----------------------------|-----|

Back To Farming

Beneficiaries

- | | |
|--|--------------|
| 1. Reviving paddy fields | 500 |
| 2. Distribution of seeds and fertilisers | 500 families |
| 3. Drinking Water Scheme at Kirlapal Dabal | 5700 |
| 4. Around 2,100 acres brought under watershed development in Karnataka | 4 villages |
| 5. Distribution of smokeless biomass stoves in Karnataka | 849 |



Board of Directors



Mr. Kuldip K Kaura

Independent and Non-Executive Director

Mr. Kaura was appointed as Director of Sesa Goa Limited on October 30, 2007. He holds a Bachelor of Engineering (Hons) in Mechanical Engineering from Birla Institute of Technology & Science, Pilani in 1968. Prior to his appointment as Director and Chief Executive Officer of Vedanta in March 2005, Mr. Kaura was Chief Operating Officer of Vedanta Resources Plc. and the Managing Director of Sterlite Industries (I) Ltd. During his tenure with the Vedanta Group, he was also the Managing Director of Hindustan Zinc Limited from April 2002 to March 2004.

Mr. Kaura is currently Chief Executive Officer & Managing Director of ACC Limited. Before joining the Vedanta group, he served at ABB India for 18 years and was the Managing Director and Country Manager from 1998 to 2001. He has served as a member on the National Council of Confederation of Indian Industries and is an office-bearer of other such professional bodies.



Mr. Gurudas D Kamat

Independent Non-Executive Director

Mr. Kamat retired as the Chief Justice of Gujarat High Court in 1996. He is engaged in judicial work relating to arbitration and conciliation.

Mr. Kamat was appointed as Director of Sesa Goa Limited on 23 December 2005. He has over 45 years of experience in legal practice and judiciary, having practiced in Bombay as well as in Goa in various branches of law. Mr. Kamat was prosecutor for the Government of Goa from 1967 to 1969. From 1980, he was an advocate for the Customs and Central Excise Departments of the Government of India. He was a member of the senate and faculty of law of Bombay University from 1978 to 1980. He was appointed as a judge of the Bombay High Court on November 29, 1983.



Mr. Jagdish P Singh

Independent Non-Executive Director

Mr. Singh is a distinguished civil servant with over 38 years of executive experience in key positions in the Union and State Government. He is an alumnus of the Harvard University where he attended the Kennedy School of Government as a Mason Fellow. He also holds a Master's degree from the University of Allahabad. Mr. Singh has occupied varied positions in his career, as a district and divisional administrator and as a Chief Executive and Chairman of the Boards of numerous corporate bodies. He was responsible for turning around several State and Central corporations in the sectors of tourism, infrastructure, cooperative finance, mining and mineral exploration. He initiated measures for amendments in labour laws and shaped the new National Mineral Policy in 2008 and piloted its passage. He has conducted bilateral and country specific discussions to further joint economic activities with South Africa, Australia and Indonesia.



Mr. Ashok Kini

Independent Non-Executive Director

Mr. Kini is a Post Graduate from Madras Christian College, Chennai. He retired as the Managing Director of State Bank of India in December 2005, after serving the bank for 38 years in various capacities. He is currently on the Board of IndusInd Bank Limited, Gulf Oil Corporation Limited, UTI Asset Management Company (Trustee Board), Edelweiss ARC and Financial Inclusion Network & Operations Limited.



Mr. Amit Pradhan

Whole-time Director

Mr. Pradhan was appointed as a Director on the Board of Sesa Group Companies on July 1, 2000. He is currently responsible for Sesa's Value Addition Business in Pig Iron, Power, Coke and Steel. Mr. Pradhan joined Sesa in 1990 as Manager – Purchase. He holds a Master's Degree in Science (Physics) from the Indian Institute of Technology, Delhi. He has 34 years of experience in materials, project management, general management & business development.



Mr. Prasun K Mukherjee

Managing Director

Mr. Mukherjee was inducted in the Board on July 1, 2000 as Director – Finance. He holds a Bachelor of Commerce (Hons) degree from Calcutta University. He is a fellow member of the Institute of Chartered Accountants of India and an associate member of the Institute of Cost and Works Accountants of India. He has 33 years of experience in finance, accounts, costing & taxation, legal and general management. Mr. Mukherjee was rated as one of India's Best Chief Financial Officers (CFOs) in the year 2005 by Business Today magazine and in 2009; Business World magazine declared Mr. Mukherjee as India's most 'Value'able CEO.

Directors' Report

To the Members,

The Board of Directors presents the 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.

₹ in crore except as stated		
Particulars	2011 -2012	2010 -2011
Profit before provisions for depreciation and tax	2,504.79	4,468.93
Less: Depreciation	83.85	83.13
Provision for Tax		
- Current Tax	719.00	963.00
- Deferred Tax	22.00	(10.00)
Profit after depreciation and tax	1,679.94	3,432.80
Add: Balance brought forward from the preceding year	1,137.72	297.70
Transferred on amalgamation of Sesa Industries Ltd		283.48
Profit available for appropriation	2,817.66	4,013.98
Appropriations		
Interim dividend / Proposed Final dividend	347.64	304.18
Tax on distributed profit	7.92	49.35
Dividend for 2009-10 in respect of Foreign Currency Convertible Bonds converted during the year	-	9.85
Dividend to shareholders of erstwhile Sesa Industries Limited on amalgamation	-	12.88
General Reserve	500.00	2,500.00
Balance carried to Balance Sheet	1,962.10	1,137.72
Total	2,817.66	4,013.98

In accordance with the requirements of the Listing Agreement, a consolidated Financial Statement of the Company is included in this Annual Report. The consolidated profit after tax for Sesa group for the year ended March 31, 2012 is ₹ 2,696 crores as against ₹ 4,222 crores for the previous year. The basic earnings per share for 2011-12 were ₹ 31.01 as against ₹ 49.17 for the previous year.

CORPORATE ACTIONS

During the year, the Company has taken significant steps in the direction of creation of a Diversified Global Resource Champion. It acquired 20% interest in Cairn India Limited, 51% stake in Western Cluster Limited, Liberia and 100% shares of Goa Energy Private Limited. In addition to the above, your Company has announced the merger of Sterlite Industries (India) Limited, along with others, which will make it one of the largest resource company in India and seventh largest in the World.

Cairn India Limited (CIL)

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.

Western Cluster Limited (WCL)

Taking Sesa's iron ore business global, the Company also acquired a majority stake (51%) in Western Cluster Limited during the year for a consideration of US\$ 90 million (₹ 411 crores). WCL is a logical and strategic fit with Sesa's existing iron ore business and secures us access to attractive mining assets with long life having potential iron ore resources in excess of over a bt together with significant upside opportunity. The Western Cluster Project presents an excellent opportunity for developing a large integrated mining operation and establishes our presence in Liberia and the upcoming iron ore hub in West Africa.

Goa Energy Private Limited (GEPL)

The Company acquired 100% of the shares of GEPL for the enterprise value of ₹ 104 crores on cash-free debt-free basis. GEPL owns and operates a 30 MW waste heat recovery power plant in Goa which utilises the waste heat and gases from Sesa's coke making and pig iron facilities. With the commissioning of the new 30 MW waste heat recovery power plant (as a part of the pig iron and met coke expansion project), the Company now has a capacity to generate 60 MW of eco-friendly electricity, which is more than its own consumption requirements in Goa, and the excess is being supplied to Goa electricity department.

Sesa Sterlite – A Merger Announcement

On February 25, 2012, the Company announced the merger of Sterlite Industries (India) Limited with Sesa Goa Limited, which will foster the creation of one of the world's largest diversified natural resources companies and the merged entity will have exposure to zinc-lead-silver, iron ore, oil & gas, copper, aluminium and commercial power with assets located in India, Australia, Liberia, South Africa, Namibia, Ireland and Sri Lanka.

Transaction highlights

- Merger of Sterlite Industries (India) Limited into Sesa Goa Limited (proposed new name Sesa Sterlite Limited), 3 Sesa shares to be issued for every 5 existing Sterlite shares.
- Vedanta Aluminium Limited (VAL) and The Madras Aluminium Company Limited (MALCO) to be 100% consolidated into Sesa Sterlite Limited.
- Transfer of Vedanta's direct holding of 38.8% in Cairn India Limited (Cairn India) to Sesa, together with the associated debt of \$5.9 billion, at cost. Post the transfer, Sesa Sterlite Limited will have a 58.9% shareholding in Cairn India Limited.

Detailed discussion on the proposed merger is in the preceding Company and Business Overview sections.

DIVIDEND

The board of directors has recommended a final dividend of ₹ 2 per equity share of ₹ 1 each for 2011-12. This is in addition to the interim dividend of ₹ 2 per equity share declared and paid during the year.

OPERATIONS

A summary on a stand-alone basis of the sales turnover and the working results is given below:

	2011 – 2012		2010 – 2011	
	Qty. in mt	Value in ₹ Cr	Qty. in mt	Value in ₹ Cr
(All monetary values are net of ocean freight and excise duty)				
Sale of Iron Ore*	12.7	5,635	14.7	6,736
Direct Exports	9.7	5,082	12.5	6,219
Other Sales	3.0	553	2.2	517
Sale of Metallurgical Coke	0.10	191	0.08	141
Sale of Pig Iron	0.25	721	0.27	664
Profit after Tax	-	1,680	-	3,433

*Includes 0.3 mt (amounting to ₹ 95 crores) in 2011-12 as compared to 0.3 mt (amounting to ₹ 99 crore) in 2010-11 transferred to PID.

Iron Ore Business

During the year, the Company faced a number of external challenges such as ban of Karnataka mining operations in August 2011 and logistics constraints in Goa, which made it difficult to achieve the Company's targeted production and sales volumes. The Company launched several internal operational initiatives to mitigate the impact of these challenges which has enabled to the Company to sell 12.7 mt of iron ore, a 14% decline compared to the 14.7 mt of the previous year. The large decline in volumes is also attributed to the closure of Orissa operations with effect from December 1, 2011.

Levies of export duties, royalties, etc., continue to pose significant cost challenges to the iron ore mining industry affecting its competitiveness on the global front. Detailed discussion on the iron ore business of the Company is discussed in the Management Discussion and Analysis of this annual report.

Exploration

Sesa Group continued its strong focus on exploration activities at its operations at Goa and Karnataka. During 2011-12, over 45,700 metres were drilled which resulted in a net addition of 68 mt to its reserves and resources during 2011-12.

The Company has completed an aeromagnetic survey of the Liberia deposits, which has indicated a significant potential upside to the existing resource base of 1 bt. The Company is in the process of completing its scoping study on Liberia project and starting exploration.

Total reserves and resources as on March 31, 2012 stands at 374 mt (excluding resource base at Liberia). Reserves and resources position has been independently reviewed and certified as per JORC standard.

Pig Iron & Met Coke Business

For the pig iron business, sales volumes decreased by 6% to 250,571 tonnes in 2011-12. However, with better market prices, sales revenues increased by 8% from ₹ 664 crores in 2010-11 to ₹ 720 crores in 2011-12. Profits before interest, tax, dividends and other non-recurring or non-allocable incomes for the pig iron business decreased by 68% to ₹ 45 crores in 2011-12.

External sales revenues of met coke business increased by 35% to ₹ 191 crores in 2011-12 and profits before interest, tax, dividends and other non-recurring or non-allocable incomes for the met coke business decreased to ₹ 16 crores in 2011-12.

Expansion Progress

The Company is in the final stages of commissioning its expansion project for the pig iron and met coke manufacturing facilities. With the commissioning of the 450 m³ blast furnaces and 2 batteries of 36 coke ovens each, the Company's overall pig iron production capacity increases to 625 ktpa and met coke production to 560 ktpa. The project also comprises of 800,000 tonnes sintering facility that would enable the PID to partially meet its iron ore requirement with sintered iron ore fines, resulting in significant cost savings and increasing efficiencies.

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, railway / road freight and export duty continue to exert pressure on the Company's margins.

Sesa 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.

CERTIFICATION

During the year, Sesa has been awarded the certification on SA 8000 standard, an international benchmark on "Human Rights at Workplace," the first iron ore company in the world to be awarded SA 8000 certification.

All the certificates under ISO: 9001-2008, ISO: 14001-2004, OHSAS 18001-2007 and SA 8000, for Quality Management, Environment Management, Occupational Health and Safety Management and Social Accountability respectively, are being maintained by the Company after periodical surveillance audits.

SESA COMMUNITY DEVELOPMENT FOUNDATION

The Foundation runs two units, viz. the Sesa Technical School (STS) and the Sesa Football Academy (SFA). The Company's contribution during the year was ₹ 5.29 crores to the Foundation.

ENERGY CONSERVATION, 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. Trials have also been conducted to utilise the reject dump area for floriculture and the cultivation of other products.

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

The Company had published Sustainable Development Report for 2008-09, 2009-10 and 2010-11 based on International Guidelines of GRI G3 with application level of A+ and has plans to publish at the G 3.1 A+ level in 2011-12.

Sesa 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 are University of Agricultural Sciences Dharwad for Alternative Livelihood Methods for the communities around A. Narrain Mine, Chitradurga, Karnataka, Mineral Foundation of Goa and Government of Goa for Gram Nirman Codli and so on. Details on the Company's CSR and sustainable development initiatives are given in the relevant chapter on Management Discussion and Analysis that forms a part of this Annual Report.

AWARDS

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

- Sesa Goa Limited was conferred with the award for Consistent Liquidity Management, among Large Companies at the Best CFO Awards 2012 by Business Today Magazine.
- Sesa's Mining Division received the CSR Excellence Award and MCD won the Environment Award, while the PID, MCD and Shipbuilding Division won safety awards. CSR and environment awards were promoted by Green Triangle Society (GTS), Goa Chamber of Commerce and Industry (GCCCI) and Ideaz Unlimited, while safety awards were promoted by the Inspectorate of Factories and Boilers, Goa, and Green Triangle Society (May 2011).
- Asia's Best Employer Brand Award: Sesa won an award for 'Best Practices in Talent Management' hosted by Employer Branding Institute, World HRD Congress, and Stars of the Industry Group, with CMO Asia as Strategic Partner (Jul 2011).
- Sesa's PID and MCD were awarded "Silver Certificate of Merit – India Manufacturing Excellence Awards (IMEA) 2011," presented by The Economic Times in partnership with Frost & Sullivan (Nov 2011).
- Codli Mines, Sonshi Mines, PID and MCD received Certificate of Merit from British Safety Council.

FIXED DEPOSITS

As reported last year, the Company has discontinued renewal of its fixed deposits on maturity. As on March 31, 2012, all fixed deposits had matured while 10 deposits amounting to ₹ 1.51 lakhs remained unclaimed. All these depositors are regularly advised about maturity of their deposits and urged to claim these as soon as they can.

SAFETY

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

Unit	FSI	
	2011-12	2010-11
Mining (SGL)	0.111	0.141
Shipping Division	0.470	5.477
Shipbuilding Division	0.000	0.106
Metallurgical Coke Division	0.243	0.000
Pig Iron Division	0.000	0.000
Expansion Projects	1.000	-
SGL (Stand Alone)	0.413	0.561

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

- the applicable accounting standards have been followed along with proper explanations relating to material departures, if any, for preparation of the annual accounts;
- the accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2012 and of the profits of the Company for that year;
- proper and sufficient care has been taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud or other irregularities;
- the annual accounts have been prepared on a going concern basis.

DIRECTORS

Mr. G. D. Kamat and Mr. A. Pradhan, Directors, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Mr. Arun Kumar Rai ceased to be Whole-time Director of the Company w.e.f. August 1, 2011 on reaching retirement age. The Board placed on record its appreciation for the valuable services rendered by Mr. Rai during his tenure as Director of the Company.

At the Board meeting held on October 25, 2011, the resignation of Mr. P. G. Kakodkar as a Director was accepted. The Board placed on record its appreciation for the valuable services rendered by Mr. Kakodkar during his tenure as Director of the Company.

Mr. P. K. Mukherjee was re-appointed as Managing Director of the Company by Circular resolution dated March 28, 2012, effective from April 1, 2012 for a period of three years, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

AUDITORS

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

As per the requirement of the Central Government and in pursuance of Section 233 B of the Companies Act, 1956, your Directors have appointed M/s R. J. Goel & Co, Cost Accountants, as cost auditors of the Company to carry out the audit of cost accounting records related to Pig Iron and Met Coke product produced at plants located at Navelim / Amona for the financial year 2011-12.

COMPLIANCE CERTIFICATE

A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report along with report on Corporate Governance.

LISTING

As stipulated under Clause 32 of the Listing Agreement, the names and addresses of Stock Exchange on which the Company's equity shares are listed are:

- 1) Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400001
- 2) National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400051

Your Company confirms that Annual Listing Fees for the year 2011-12 have been paid.

EMPLOYEES

Your Directors express their deep appreciation for the cooperation and support rendered by employees at all levels of the Company. Your Directors wish to emphasise safe working culture in the organisation and urge all employees to not only follow safety standards but also excel in all safety parameters.

Statement of Particulars of Employees as required in terms of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, is annexed hereto.

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.

For and on behalf of the Board of Directors

Place: Panaji, Goa
Dated: April 24, 2012

G. D. Kamat
Director

P. K. Mukherjee
Managing 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

The Company continues to emphasise optimising energy consumption in all operations, along with monitoring fuel consumption and engine emission levels of vehicles, earth moving machinery and barge fleet. The waste gases and heat from the blast furnaces and coke ovens are being utilised in the power plants to generate eco-friendly clean electricity.

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 introduced a slew of modern technology-based solutions over the last two years. Supervisory Control and Data Acquisition (SCADA) system is implemented at the plants, which enables engineers to monitor and control processes. RFID trackers have been installed to track ore-laden trucks within and outside the mining areas. Barge monitoring system implemented enables online real-time logistics managers to optimise and track the movement of all ore being shipped by the Company. This year, the Company has rolled out the Command and Control Centre, which enables real-time monitoring of mining, processing and logistics, enabling swift decision-making to make the value chain more responsive.

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:

- Improved mining efficiencies and product quality control.
- Improvement in pollution control system.
- Improved and sustainable resource and environment management.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's major foreign exchange earnings and outgo are on account of export of iron ore and import of coking coal respectively. During the year, foreign exchange earnings were ₹ 5,139 crores and outgo (including dividend remittance) ₹ 1,014 crores (details are given in Note no. 38-40). Hence, the net foreign exchange earning was ₹ 4,125 crores.

Form - A Disclosure of Particulars with Respect to Conservation of Energy

Electricity		March 31, 2012	March 31, 2011
Purchased			
Units	KWH	69,265,486	69,891,724
Total Amount *	₹ Lacs	1,515	1,556
Rate/Unit	₹/Kwh	2.19	2.23

* after netting credit received from sale of gases.

For and on behalf of the Board of Directors

Place: Panaji, Goa
Dated: April 24, 2012

G. D. Kamat
Director

P. K. Mukherjee
Managing 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, 2012

Sr.No.	Name of the Employee	Designation/ Nature of Duties	Gross Remuneration (₹ In crore)	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								
1	Mukherjee P. K.	Managing Director	3.78	B.Com (Hons.) F.C.A., A.I.C.W.A.	33	14-04-1987	56	Ceat Tyres of India Ltd., Calcutta
2	Pradhan Amit	Wholetime Director	1.90	M.Sc.(Physics)	34	15-01-1990	57	Wholetime Director Sesa Industries Ltd.
3	Czamarka Gustavo	Head - Iron Ore Marketing	3.05	BA (Economics), PGDBM , Master International Mgmt	14	30-08-2010	37	VALE Singapore
4	Correia Afonso Lalita	AVP – Corporate Finance	0.76	B.com , A.C.A.	25	01-06-1990	49	Wimco Limited, Mumbai
(B) Employed for part of the financial year								
1	Rai A.K.	Wholetime Director	1.89	B.Sc. Mining Engg. 1st class Mine Manager Certificate	35	14-04-1975	60	Sr. General Manager , Pig Iron Plant , Sesa Industries Ltd. Amona
2	Buckley Peter	Head - Exploration	0.84	B.Sc. Geology & Geophysics , Science (Honours) Geological Mapping	20	03-08.2011	45	Eastern Iron Limited, Sydney
3	Gaonkar Gurudas	Hydraulic Shovel Operator	0.06	Std III	34	21-02-1977	59	NIL
4	Samant Rajendra	Senior Mine Foreman	0.07	Std VIII	34	07-03-1977	60	NIL
5	Radhakrishna N	Associate General Manager - Maintenance	0.37	Diploma (Civil Engineering)	36	09-08-1977	61	BEML
6	Gaunkar Vishwanath	Senior Staffman	0.05	Std I	33	06-02-1978	59	NIL
7	Dessai Vishnum	Senior Officer- Purchase	0.11	MA (Economics)	38	13-11-1978	61	The Book center Ltd., Sion ,Bombay

Sr.No.	Name of the Employee	Designation/ Nature of Duties	Gross Remuneration (₹ In crore)	Qualification	Experience In Years	Date of Commencement of Employment	Age of the Employee (Years)	Last Employment held before joining the Company
8	Shetkar Shrikant	Head Painter II	0.06	Std IV	37	26-07-1982	60	Casual Labourer , Sesa Goa Ltd.
9	Araujo Allen	Associate Manager - Purchase	0.09	Diploma (Structural & Fabrication Engg)	28	28-05-1990	52	M/s Richardson & Cruddas , Bombay
10	Prasanna Kumar T	Associate General Manager - Operations	0.32	Diploma (Mine & Mine Surveying) , AMIE	31	17-06-1994	52	M/s Pyrita Phosphate Chemical Ltd., Dehradun
11	Rajadhyaksh Prakash	AGM - Production & Development	0.30	BE (Metallurgy) , D.S.M.	37	03-08-1992	61	Chougule & Co. Ltd. , Goa
12	Garudangiri Yogeesh	AVP – Commercial	0.85	BE (Mechanical)	32	31-07-1995	55	M/s VISL Bhadravati
13	Singh Suresh	Executive Director - WCL	0.95	B.Tech (Mining), First Class Manager's Certificate of Competency	31	03-06-2002	53	Tata Steel - Mines Division, Singbhum West, Jharkhand

Notes:

1. Remuneration as shown above includes Salary, House Rent Allowance, Performance Pay, LTIP, Company's Contribution to Provident Fund, Gratuity Fund (in case of Managing and Wholetime Directors) & Annuity Fund, Leave Travel Assistance and expenditure by the Company on accomodation, medical and other facilities, wherever applicable, and Commission (in case of Managing Director) as per contracts of service.
In addition, 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, Goa
Dated: April 24, 2012

G. D. Kamat
Director

P. K. Mukherjee
Managing Director

CEO / CFO Certification

We, P. K. Mukherjee, Managing Director and S. L. Bajaj, Director Finance, responsible for the finance function, certify that:

- (a) We have reviewed the financial statements, read with the cash flow statement of Sesa Goa Limited for the year ended March 31, 2012 and that to the best of our knowledge and belief, we state that;
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have not noticed any deficiency that need to be rectified or disclosed to the Auditors and the Audit Committee.
- (d) During the year under reference-
 - (i) there were no significant changes in the internal control over financial reporting;
 - (ii) No significant changes in accounting policies were made that require disclosure in the notes to the financial statements; and
 - (iii) No instance of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

Place: Panaji, Goa
Dated: April 24, 2012

S.L. Bajaj
Director Finance

P. K. Mukherjee
Managing Director

Corporate Governance Report

The Securities and Exchange Board of India (SEBI) regulates corporate governance practices of companies listed on the Indian Stock Exchanges. These regulations are notified under Clause 49 of the Listing Agreements of all the Stock Exchanges in the country. They specify the standards that Indian companies have to meet, and the disclosures that they have to make, with regard to corporate governance. Sesa Goa Limited ('Sesa' or 'the Company') has established systems and procedures to comply in letter and in spirit with the provisions of Clause 49 of the Listing Agreement. This chapter, along with the chapters on Additional Shareholders Information and Management Discussion and Analysis, reports Sesa's compliance in this regard.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Sesa is committed to executing sustainable business practices and creating long-term value for all its stakeholders. To pursue this objective, the Company remains steadfast in its value systems that incorporate integrity, transparency and fairness across all its business activities.

The Company continues to focus on its commitments towards the development of the community where it operates. It has adopted best practices towards preserving the environment and adherence to the highest safety standards remains a focus area across all operations. Sesa's value systems are based on the foundation of fair and ethical practices in all its dealings with stakeholders including customers, vendors, contractors, suppliers and all others who are part of the Company's business value chain.

Towards this end, all Directors and Senior Management are committed to the Company's Code of Conduct, the compliance to which is periodically reviewed.

2. BOARD OF DIRECTORS

i. Composition of the Board

As on March 31, 2012, the Company has six Directors on its Board, of which two are Executive Directors and four are Non-Executive Directors. Mr. A. K. Rai, Executive Director, retired w.e.f. August 1, 2011. Mr. P. G. Kakodkar, Non-Executive Independent Director, resigned w.e.f. October 25, 2011. All four Non-Executive Directors are independent. The Board of Directors have not yet appointed a Chairman.

ii. Directors' Attendance Record and Directorship Held

The names and categories of the Directors on the Board, their attendance at Board meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are given below:

Name of the Directors	Category	No. of Board meetings during the year 2011-12		Whether attended last AGM held on July 21, 2011	Number of Directorships in other public companies*	Number of Committee positions held in public companies *	
		Held	Attended			Member	Chairman
P. G. Kakodkar (Resigned w.e.f. October 25, 2011)	Independent Director	4	1	No	8	3	2
G. D. Kamat	Independent Director	8	7	Yes	-	1	-
K. K. Kaura	Independent Director	8	4	Yes	5	1	-
J. P. Singh	Independent Director	8	7	Yes	1	2	1
Ashok Kini	Independent Director	8	7	Yes	4	5	1
A. Pradhan	Whole-time Director	8	6	Yes	-	-	-

Name of the Directors	Category	No. of Board meetings during the year 2011-12		Whether attended last AGM held on July 21, 2011	Number of Directorships in other public companies*	Number of Committee positions held in public companies *	
A. K. Rai (Retired w.e.f. August 1, 2011)	Whole-time Director	4	4	Yes	2	-	-
P. K. Mukherjee	Managing Director	8	8	Yes	2	1	-

* excluding private limited companies, foreign companies and Companies under Section 25 of the Companies Act, 1956.

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

Dates for the Board Meetings in the ensuing year are decided tentatively well in advance and communicated to the Directors. The agenda along with the explanatory notes are sent in advance to the Directors generally. Additional meetings of the Board are held when deemed necessary by the Board.

Information as required under Annexure IA to Clause 49 is being made available to the Board.

The Board periodically reviews compliance of all laws applicable to the Company.

During 2011-12, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors.

iii. Number of Board Meetings

Eight Board meetings were held during the year 2011-12 and the gap between two meetings did not exceed four months. The dates on which the Board meetings were held were as follows: April 16, 2011, April 25, 2011, June 28, 2011, July 21, 2011, October 25, 2011, January 25, 2012, February 25, 2012 and March 17, 2012.

iv. Code of Conduct

The Company has adopted the Sesa Goa Code of Conduct for Executive and Non-Executive Directors, Senior Management Personnel and other executives of the Company. The Company has received confirmations from the Executive and Non-Executive Directors, as well as Senior Management Personnel regarding compliance of the Code during the year under review. The Code of Conduct is posted on the website of the Company.

v. Directors Profile

No.	Name	Age	Qualification	Experience	Other Directorships*
i.	G. D. Kamat DIN: 00015932	77	B.A., L.L.B.	Appointed as Director on December 22, 2005. Over 45 years of experience in the field of Legal Practice and Judiciary. Retired as Chief Justice of Gujarat High Court in 1996. Presently engaged in Judicial work relating to Arbitration and Conciliation.	-

No.	Name	Age	Qualification	Experience	Other Directorships*
ii.	K. K. Kaura DIN: 00006293	65	BE (Hons) Mechanical Engg.	Director since October 30, 2007. 18 years of experience at ABB India at various operations & business management positions. He was a member of Directors of ABB India from 1996 and was Managing Director and Country Manager of ABB from 1998 to 2001. In 2002 joined Sterlite and was Managing Director of Hindustan Zinc Ltd and became the Chief Operating Officer of Vedanta Resources plc. since its inception. He was a Director of Hindustan Zinc Ltd, Vedanta Alumina and Copper Mines Tasmania Pty Ltd and became Chief Executive Officer, Vedanta Resources plc., also Managing Director of Sterlite and Deputy Chairman of Konkola Copper Mines.	<ul style="list-style-type: none"> - ACC Limited - ACC Concrete Limited - Bulk Cement Corporation (India) Limited - Holcim Services (South Asia) Limited - ACC Mineral Resources Limited
iii.	J. P. Singh DIN: 02782928	64	M.A., MPA (Harvard), IAS Retd. (Rajasthan 1972)	Appointed as Additional Director on July 19, 2010. He is Former Secretary, Ministry of Finance and Mines, Special Secretary Labour and has over 36 year of executive experience in key positions in the state and union government.	<ul style="list-style-type: none"> - BEML Limited
iv.	Ashok Kini DIN: 00812946	66	B.Sc. /M.A./ C.A.I.I.B. (Certified Associate, Indian Institute of Bankers)	Appointed as Director on January 24, 2011. Mr. Kini retired as Managing Director of State Bank of India in December 2005 after serving the bank for 38 years in various capacities.	<ul style="list-style-type: none"> - Gulf Oil Corporation Limited - IndusInd Bank Limited - FINO (Financial Inclusion Network and Operations Limited) - Edelweiss ARC - UTI Asset Management Company (Trustee Board)
v.	A. Pradhan DIN: 00128568	57	M.Sc. (Physics) from I.I.T. Delhi	Appointed as Director on July 1, 2000. 34 years of experience in Material/ Project Management with a Stint in Business Development	-

No.	Name	Age	Qualification	Experience	Other Directorships*
vi.	P. K. Mukherjee DIN: 00015999	56	B.Com (Hons. F.C.A., A.I.C.W.A.	Appointed as Director on July 1, 2000 and Managing Director from April 1, 2006. 33 years of experience in Finance, Accounts, Costing Taxation, Legal and Management.	– Sesa Resources Limited – Sesa Mining Corporation Limited

* excluding private limited companies, foreign companies and Companies under Section 25 of the Companies Act, 1956.

3. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292 (A) of the Companies Act, 1956.

i. Terms of Reference

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and fixation of audit fees.
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d. Reviewing with management the annual financial statements before submission to the Board, focussing primarily on:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgement by management;
 - Qualifications in draft audit report;
 - Significant adjustments arising out of audit;
 - Compliance with listing and legal requirement concerning financial statements;
 - Disclosure of any related party transactions.
- e. Reviewing with management, performance of statutory and internal auditors, and adequacy of internal control systems.
- f. Reviewing the adequacy of internal audit function, including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- g. Discussion with internal auditors of any significant findings and follow up thereon.
- h. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- i. Discussion with statutory auditors before the audit commences, nature and scope of audit as well as to have post audit discussion to ascertain any area of concern.
- j. To look into the reasons for substantial defaults in payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- k. Reviewing with management, the quarterly financial statements before submission to the Board for approval.

- l. To review the functioning of the Whistle blower mechanism, in case the same is existing.
- m. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ii. Composition, Names of Members and Attendance During the Year

As on March 31, 2012, the Audit Committee comprised of four Independent Directors. The composition of the Audit Committee and the details of meetings attended by the members of the Audit Committee are given below:

Name of the Member	Category	No. of meetings during the year 2011-12	
		Held	Attended
P. G. Kakodkar – (up to October 25, 2011)	Independent Director	2	1
Ashok Kini (Chairman-w. e. f. April 25, 2011)	Independent Director	4	4
G. D. Kamat	Independent Director	4	4
K. K. Kaura	Independent Director	4	3
J. P. Singh	Independent Director	4	4

Four Audit Committee Meetings were held during the financial year ended March 31, 2012 and the gap between two meetings did not exceed four months. The dates on which the Audit Committee Meetings were held are as follows: April 25, 2011, July 21, 2011, October 25, 2011 and January 25, 2012. Necessary quorum was present at the above meetings.

The Audit Committee Meetings are usually held at the Corporate Office of the Company and are attended by the Managing Director, Director Finance (Designate), AVP-Corporate Finance and the representatives of Statutory Auditors and Internal Auditors. The Company Secretary & AVP-Legal acts as the Secretary to the Audit Committee.

4. REMUNERATION COMMITTEE

i. Terms of Reference

The Company has constituted a remuneration committee of Directors in September 2000. The broad terms of reference of the Committee are to appraise the performance of Managing / Executive Directors, determine and recommend to the Board, compensation payable to them, details of which are included in this report.

ii. Composition, Names of Members and Attendance During the Year

As of March 31, 2012, the three member Remuneration Committee comprised of Independent Non-Executive Directors. The composition of the Remuneration Committee and the details of meetings held and attended by the members of the Remuneration Committee are given below:

Name of the Member	Category	No. of meetings during the year 2011-12	
		Held	Attended
K. K. Kaura (Chairman)	Independent Director	1	1
P. G. Kakodkar (Resigned w.e.f. October 25, 2011)	Independent Director	1	-
G. D. Kamat	Independent Director	1	1
Ashok Kini	Independent Director	1	1

One Remuneration Committee Meeting was held during the year 2011-12 on July 21, 2011.

iii. Remuneration Policy

Non-Executive Directors

Remuneration of the Non-Executive Directors of the Company by way of sitting fees and commission is decided by the Board of Directors. Payment of commission to any individual Non-Executive Director is determined by the Board and is broadly based on attendance, contribution at the Board Meetings and various Committee Meetings as well as time spent on various issues other than at these meetings.

Sitting Fees

The Company pays sitting fees of ₹ 20,000 per meeting for attending Board Meeting and Audit Committee Meeting and ₹ 10,000 for other Committee Meeting to the Directors other than the Managing and the Whole-time Directors (including the Whole-time Directors of the Subsidiary Companies, Sesa Resources Limited and Sesa Mining Corporation Limited). Mr. K. K. Kaura, Non-Executive Independent Director, has waived the payment of Sitting Fees for attending Board / Committee Meetings.

Managing and Executive Directors

The Company pays remuneration to its Managing Director by way of salary, commission and perquisites and to its Executive Directors by way of salary, executive allowance, performance linked pay and perquisites. The remuneration is approved by the Board of Directors and is within the overall limits approved by shareholders of the Company.

Service Contracts, Severance Fees and notice period with Managing and Executive Directors:

Managing Director:

Period of contract	: 3 Years
Termination of the contract	: By either party giving the other six months' notice. If he ceases to hold the office of Director, he shall <i>ipso facto</i> and immediately cease to be Managing Director and the Contract shall come to an end without any obligation on either party.
Severance fees	: Nil, except for short notice pay

Executive Directors:

Period of contract	: 1 year & 11 months
Termination of the contract	: Same as that of the Managing Director
Severance fees	: Nil, except for short notice pay

iv. Remuneration

a. Managing Director and Executive Directors:

Name	₹ In crore					
	Salary	Commission	Perquisites	LTIP	Retirement Benefits	Total
Mr. P. K. Mukherjee	0.91	0.91	0.59	0.72	0.65	3.78
Mr. A. K. Rai (up to July 31, 2011)	0.71	-	0.40	0.52	0.26	1.89
Mr. A. Pradhan	0.88	-	0.33	0.44	0.25	1.90

b. Non-Executive Director:

Name	₹ In crore	
	Sitting Fees	Commission
Mr. P. G. Kakodkar	0.006	-
Mr. G. D. Kamat	0.026	0.14
Mr. J. P. Singh	0.022	0.14
Mr. Ashok Kini	0.023	0.14
Mr. K. K. Kaura	-	0.14

v. Shares and Convertible Instruments Held by the Non-Executive Directors

None of the Non-Executive Directors have shareholding in the Company as on March 31, 2012.

5. SHAREHOLDERS / INVESTOR GRIEVANCE COMMITTEE

The Company has constituted a Shareholders / Investor Grievance Committee of Directors to look into the redressal of complaints of investor such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc.

The composition of the Shareholders / Investor Grievance Committee and details of meetings attended by its members are given below:

Name of the Member	Category	No. of meetings held during the year 2011-12	
		Held	Attended
P. G. Kakodkar – Chairman (Resigned w.e.f. October 25, 2011)	Independent Director	2	1
P. K. Mukherjee	Managing Director	4	4
Sushil Gupta (Resigned w.e.f. December 1, 2011)	Director Finance - Designate	3	3
S. L. Bajaj (Appointed w.e.f. January 25, 2012)	Director Finance - Designate	1	1

Consequent to the resignation of P. G. Kakodkar, P. K. Mukherjee, took over as the Chairman of the Shareholders / Investor Grievance Committee, till March 2012.

Four meetings of the Committee were held during the year 2011-12 which are as follows: April 21, 2011, July 19, 2011, October 17, 2011 and January 25, 2012.

The Committee reviews investor related issues and recommends measures to improve investor services. Minutes of the Shareholders / Investors Grievance Committee Meetings are circulated to the members of the Board.

Name, Designation and Address of Compliance Officer:

Mr. C. D. Chitnis, Company Secretary and AVP - Legal

Sesa Ghor, Patto, Phone: + 91 832 2460720
Panaji – Goa Fax : + 91 832 2460721
Email: c.chitnis@vedanta.co.in

Details of Investor Complaints Received and Redressed:

Sr. No.	Nature of Complaint	Opening Balance	Received	Disposed off	Pending
1.	Non receipt of Securities	0	0	0	0
2.	Non receipt of Dividend	0	19	19	0
3.	Non receipt of Annual Reports	0	0	0	0
4.	Non receipt of Securities after Transfer	0	3	3	0
Total		0	22	22	0

There were no outstanding complaints as on March 31, 2012.

Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the Company is required to transfer inter alia dividends, remaining unclaimed and unpaid for a period of 7 years from the due date, to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

Following are the due dates for transfer of unclaimed and unpaid dividend to the IEPF by the Company in the current year:

Financial year	Dividend payment date	Due Date for Transfer to IEPF*
2004-2005(Final)	August 8, 2005	October 4, 2012
2005-2006 (Interim)	March 16, 2006	April 22, 2013
2004-2005	August 8, 2005	October 4, 2012
Dividend paid by erstwhile Sesa Industries Limited		

* Indicative date, actual date may vary.

6. OTHER COMMITTEES

i. Share Transfer Committee

The transfer of equity shares of the Company is approved by the Share Transfer Committee, which meets fortnightly to approve share transfers. The Committee comprises of the following Executive Directors of the Company:

Mr. P. K. Mukherjee -	Managing Director
Mr. A. K. Rai -	Executive Director (Retired w.e.f. August 1, 2011)
Mr. Amit Pradhan -	Executive Director
Mr. Sushil Gupta -	Director Finance (Designate) (Resigned w.e. f. December 1, 2011)
Mr. S. L. Bajaj -	Director Finance (Designate) (Appointed w.e.f. January 25, 2012)

As on March 31, 2012, 15 instruments of transfer for 9,558 equity shares were lying with share transfer agents and the same will be completed by April 30, 2012.

ii. Finance Standing Committee

The composition, names of members and the attendance of members for the Finance Standing Committee meetings are given below:

Name of the Member	Category	No. of meetings held during the year 2011-12	
		Held	Attended
P. G. Kakodkar – Chairman (Resigned w. e. f. October 25, 2011)	Independent Director	5	1
P. K. Mukherjee	Managing Director	7	7
Lalita Correia Afonso	AVP - Corporate Finance	7	7
Sushil Gupta (Resigned w. e. f. December 1, 2011)	Director Finance (Designate)	5	5
Mr. S. L. Bajaj (Appointed w. e. f. January 25, 2012)	Director Finance (Designate)	-	-

Seven Finance Standing Committee Meetings were held during the financial year 2011-12; on April 12, 2011, April 21, 2011, July 19, 2011, August 2, 2011, October 17, 2011, December 2, 2011 and January 20, 2012.

iii. Committee for Cairn India Deal

The Board has constituted a Cairn Offer Committee to consider investment in Cairn India Limited through Open Offer.

The composition, names of the members and the number of meetings held of the Committee are given below:

Name of the Member	Category	No. of meetings held during the year 2011-12	
		Held	Attended
P. K. Mukherjee (Chairman)	Managing Director	1	1
Amit Pradhan	Executive Director	1	1
Sushil Gupta (Resigned w. e. f. December 1, 2011)	Director Finance (Designate)	1	1

One Committee Meeting was held during the year 2011-12 on November 16, 2011.

iv. Committee for Acquisition of Goa Energy Private Limited

The composition, names of the members and the number of meetings held of the Committee are given below:

Name of the Member	Category	No. of meetings held during the year 2011-12	
		Held	Attended
G. D. Kamat (Chairman)	Independent Director	1	1
P. K. Mukherjee	Managing Director	1	1
Amit Pradhan	Executive Director	1	1

One Meeting was held during the year 2011-12 on November 3, 2011.

v. Committee on Legal and Compliance Issues

The Board has constituted a committee to deal with Legal and Compliance issues.

The composition, names of the members and the number of meetings held of the Committee are given below:

Name of the Member	Category	No. of meetings held during the year 2011-12	
		Held	Attended
G. D. Kamat	Independent Director	2	2
P. K. Mukherjee	Managing Director	2	2
Sushil Gupta (Resigned w. e. f. December 1, 2011)	Director Finance (Designate)	1	1

Two Committee Meetings on Legal and Compliance Issues were held during the year 2011-12 on October 17, 2011 and December 20, 2011.

7. GENERAL BODY MEETINGS

i. General Meeting

Annual General Meeting:

Year	Meeting	Location	Date	Time
2008-2009	AGM	Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa	August 13, 2009	11.00 A.M.
2009-2010	AGM	Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa	July 19, 2010	11.00 A.M.
2010-2011	AGM	Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa	July 21, 2011	10.00 A.M.

ii. Postal Ballot

No special resolution was put through postal ballot during the year ended on March 31, 2012.

iii. Special Resolutions

Details of special resolutions passed in the General Meetings during the last three financial years are as follows:

Date of General Meeting	Number of Special Resolutions passed	Details of the Special Resolutions
July 9, 2009	1	Approval under Section 81(1A) to create, offer, issue and allot up to 33,274,000 (Three crores Thirty Two Lakhs Seventy Four Thousand) Equity Shares of ₹ 1/- each (Rupee One) to Promoters and its associates
August 13, 2009	1	Approval for increase in commission to the Non Whole - time Directors of the Company resident in India up to Rupees five million per year.
October 20, 2009	1	Approval for borrowing up to ₹ 6,000 crores by way of Foreign Currency Convertible Bonds, Qualified Institutional Placements and other securities and under 293 (1)(a), creating charge on the assets and empowering the Board to take necessary actions to implement the resolutions.
October 18, 2010	1	Approval under Section 372A and other applicable provisions of the Companies Act, 1956 to increase the investment limits of the Company to an amount not exceeding ₹ 16,000 crores (Rupees Sixteen Thousand crores only).
July 21, 2011	1	Approval for increase in commission to the Non Whole - time Directors of the Company resident in India up to Rupees Seventy Five Lakhs (Seven and Half Million) per year.

8. DISCLOSURES

i. Subsidiary Companies

The revised Clause 49 defines a “material non-listed Indian subsidiary” as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. As per this definition none of the subsidiaries of Sesa Goa Limited, viz. Sesa Resources Limited, Sesa Mining Corporation Limited and Goa Energy Private Limited are material non-listed Indian subsidiaries.

ii. Materially Significant Related Party Transactions

The Board has received disclosures from Key Managerial Personnel relating to material financial and commercial transactions where they and or their relatives have personal interest.

Transactions with related parties are disclosed in note no. 45 of the Financial Statements in the Annual Report. In the opinion of the Board, the transactions during 2011-12 between Sesa Goa Limited and its subsidiaries, Sesa Resources Limited, Sesa Mining Corporation Limited and Goa Energy Private Limited have been done at arm's length.

As per this definition, none of the subsidiaries of Sesa Goa Limited viz. Sesa Resources Limited, Sesa Mining Corporation Limited and Goa Energy Private Limited are material non-listed Indian subsidiaries.

iii. Non Compliance

The Company has complied with all the requirements of regulatory authorities. No penalties or strictures were imposed on it by the stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

On October 23, 2009, the Ministry of Corporate Affairs of the Government of India ordered that the Serious Fraud Investigation Office (SFIO) investigate into the affairs of Sesa and its then subsidiary, Sesa Industries Limited (SIL) (which has since been amalgamated with Sesa effective February 14, 2011), in respect of alleged mismanagement, malpractices and financial and other irregularities, including alleged siphoning and diversion of funds. These alleged events occurred primarily in the period prior to the acquisition of Sesa by the Vedanta Group. The Ministry of Corporate Affairs ordered that a report be submitted to the central government. Sesa understands from the Ministry's order that this investigation has been initiated pursuant to a report of the Registrar of Companies in Goa, India dated October 8, 2009, which recommended such an investigation into allegations made in certain complaints filed by a shareholder. On May 26, 2011, Sesa received a copy of the report by the SFIO on the investigation into Sesa's affairs pursuant to section 235 of the Indian Companies Act. Certain allegations are made in the SFIO's report relating to under-invoicing in the exporting of iron ore, over-invoicing in the importing of coal, commission to Mitsui, over-invoicing of iron ore to erstwhile subsidiary Sesa Industries Limited and other violations under the Indian Companies Act during the period from 2001 to 2007. The report has recommended that action be taken against the directors of Sesa during the aforementioned period. In response to the report received from the SFIO, Sesa has filed its representations to the Secretary of the Ministry of Corporate Affairs, with a copy to the SFIO, explaining in detail Sesa's position on the allegations made in the SFIO's report and denying the allegations made therein.

iv. CEO / CFO Certification

The CEO and CFO certification of the financial statements for the year is enclosed after Annexure - A of the Directors' Report.

v. Whistle Blower Policy

The Company has a Whistle Blower Policy to deal with any complaint relating to fraud and other financial irregularities.

vi. Adoption of Non-Mandatory Requirements

The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure 1D to Clause 49 of the Listing Agreement with the stock exchanges.

- The Company has set up a Remuneration Committee which complies with the requirements laid down in the Code of Corporate Governance. Refer Paragraph 2.1 for the broad terms of reference of the Committee.
- The Company has adopted and implemented a Whistle Blower Policy.

9. MEANS OF COMMUNICATION

All financial disclosures are available on the Company's website www.sesagoa.com. The Company has had informal meetings with media and institutional investors. Authorised persons of Sesa also respond to queries telephonically and by letters.

The quarterly, half-yearly and annual results are published in the Economic Times, Mumbai edition, and in English and Konkani / Marathi Daily in Goa. The results, along with official news releases, are posted on the Company's website.

A Management Discussion and Analysis statement is a part of the Company's Annual Report.

10. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting

Date : Tuesday July 3, 2012

Time : 10:00 A.M

Venue : Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa

ii. Financial Calendar

Financial year: April 1 to March 31

For the year ended 31 March	2011	2012 (Tentative)
Financial results for Q.E. June	July 21, 2011	End July 2012
Financial results for Q.E. Sept.	October 25, 2011	End October 2012
Financial results for Q.E. Dec.	January 25, 2012	End January 2013
Financial results for Q.E. March	April 24, 2012	End April 2013
Annual General Meeting	July 03, 2012	July 2013

iii. Book Closure

The dates of book closure are from Tuesday, June 12, 2012 to Thursday, June 14, 2012 (both days inclusive).

iv. Dividend Payment

The Board of Directors have recommended a final dividend of ₹ 2.00 per equity share for the year 2011-2012 in addition to the interim dividend of ₹ 2.00 per equity share declared and paid during the year,

The dividend of ₹ 2.00 per equity share will be credited / dispatched between July 4, 2012 and July 25, 2012, subject to approval by the shareholders at the Annual General Meeting to be held on July 3, 2012.

v. Listing

At present, the equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India (NSE). The annual listing fees for the financial year 2011-12 to BSE and NSE have been paid.

vi. Stock Codes

[Sesa's Stock Exchange Codes](#)

Name of the Stock Exchange	Stock Code
The National Stock Exchange of India	SESAGOA EQ
The National Stock Exchange of India, DEMAT	SESAGOA AE
The Stock Exchange, Mumbai	295
The Stock Exchange, Mumbai, DEMAT	500295
Singapore Exchange Securities Trading Limited	141031
The ISIN code of the Company is INE205A01025	

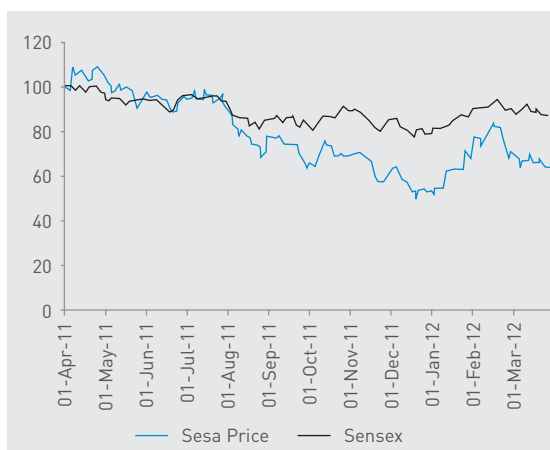
vii. Market Price Data

High, Low (based on the closing prices) and the number of shares traded during each month during the year 2011-12 on the National Stock Exchange Limited and the Bombay Stock Exchange Limited

	NSE				BSE			
	High (₹)	Low (₹)	No. of shares traded (₹ In crore)	Monthly Turnover (₹ In crore)	High (₹)	Low (₹)	No. of shares traded (₹ In crore)	Monthly Turnover (₹ In crore)
April	330.80	292.75	6.02	1,905.83	328.40	292.50	1.46	460.67
May	317.00	268.30	4.39	1,281.16	316.90	268.50	0.99	290.68
June	295.45	261.10	2.54	716.71	295.50	260.00	0.49	138.40
July	300.40	265.50	5.14	1,465.69	300.50	257.40	1.10	313.90
August	280.00	195.10	6.99	1,642.87	279.90	195.30	1.30	304.11
September	239.80	189.35	6.56	1,419.92	236.90	189.25	1.28	276.35
October	232.70	190.35	5.59	1,180.40	231.95	190.00	0.97	205.55
November	216.80	165.35	5.05	962.39	216.85	165.70	1.00	191.42
December	196.35	148.30	5.13	872.10	196.00	148.70	0.93	158.63
January	219.00	153.05	8.20	1,540.33	219.00	153.10	1.53	287.03
February	270.00	202.75	12.66	2,945.53	270.00	202.10	2.50	583.11
March	216.00	186.50	6.37	1,280.81	215.35	186.10	1.01	204.69

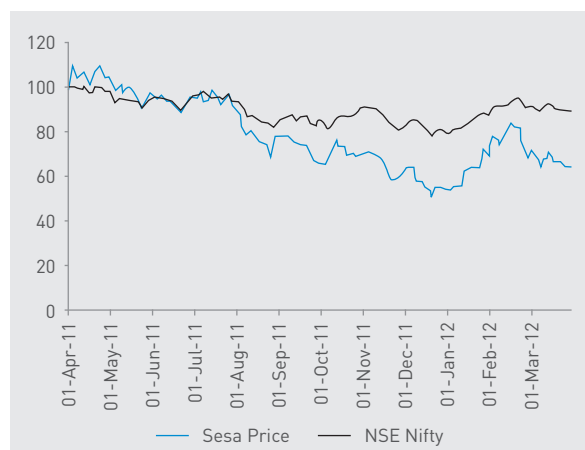
viii. Performance of the Share Price of the Company

Chart A: Company's Share Performance versus BSE Sensex



Note: Both the BSE Sensex and Sesa are indexed to 100 as on April 1, 2011

Chart B: Company's Share Performance versus NSE NIFTY



Note: Both the NSE Nifty and Sesa are indexed to 100 as on April 1, 2011

ix. Registrar and Transfer Agent

Karvy Computershare Private Limited
Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad – 500081
Tel: +91 40 4465 5000
Fax: +91 40 2342 0814
Email: ksreddy@karvy.com / shyamsingh@karvy.com

x. Share Transfer System

The Registrar and Share Transfer Agents, Karvy Computershare Pvt. Ltd., Hyderabad, are authorised by the Board for processing of share transfers, which are approved by the Company's Share Transfer Committee.

Share Transfer Committee Meetings are held fortnightly. Share transfer requests are processed and despatched to the shareholders generally within 20 days from the date of receipt. All valid requests for dematerialisation of shares are processed and confirmation given to the depositories within 21 days.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, on half-yearly basis, certificates have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Also, pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, certification is done by a Company Secretary-in-Practice regarding timely dematerialisation of the shares of the Company. Further, secretarial audit is done on a quarterly basis for reconciliation of the share capital of the Company

xi. Distribution of Shareholding

The distribution of the shareholding of the equity shares of the Company by size and by ownership class as on March 31, 2012 is given below:

Shareholding pattern by size

	March 31, 2012			
	Face value ₹ 1/-			
Shareholding of Nominal value of ₹ 1/-	No. of share-holders	% of Total share-holders	Amount in ₹ crore	% of Amount
1 – 5000	265,079	98.38	6.38	7.34
5001 – 10000	2645	0.98	1.98	2.27
10001 – 20000	963	0.36	1.37	1.58
20001 – 30000	225	0.08	0.55	0.63
30001 – 40000	145	0.05	0.50	0.58
40001 – 50000	49	0.02	0.22	0.25
50001 – 100000	120	0.04	0.84	0.96
100001 & Above	223	0.08	75.07	86.39
TOTAL	269,449	100.00	86.91	100.00

Shareholding Pattern by ownership

Sr. No.	Category	March 31, 2012	
		No. of shares held	Percentage of shareholding
		Face value ₹ 1/-	
a.	Promoter's holding	479,113,619	55.13
b.	Banks, Mutual funds, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Govt. Institutions)	41,412,665	4.76
c.	FII's	217,008,595	24.97
d.	Private Corporate Bodies	20,646,899	2.38
e.	Indian Public	104,448,837	12.02

Sr. No.	Category	March 31, 2012	
		No. of shares held	Percentage of shareholding
		Face value ₹ 1/-	
f.	NRIs /OCBs	2,128,866	0.24
g.	Trust	625,027	0.07
h.	H U F	1,570,754	0.18
i.	Clearing Members	2,146,161	0.25
Grand Total		869,101.423	100.00

Paid up capital as on March 31, 2011 and March 31, 2012 was ₹ 869,101,423/-

xii. De-materialisation of Shares

Trading in equity shares of the Company is permitted only in dematerialised form w. e. f. May 31, 1999 as per notification issued by the Securities and Exchange Board of India (SEBI). 97.53 % of the equity shares of the Company have been dematerialised as on March 31, 2012.

xiii. Outstanding GDRs / ADRs / Warrants / Options

The Company had issued 5,000 Foreign Currency Convertible Bonds (FCCBs) aggregating to USD 500 million. The FCCBs are convertible by Bondholders into Shares, at any time on and after December 9, 2009, up to the close of business on October 24, 2014 or, if the Bonds shall have been called for redemption before the relevant Maturity Date, then up to the close of business on a date not later than seven business days prior to the date fixed for redemption thereof.

During the years 2009-10 and 2010-11, total 2,832 bonds have been converted to 39,188,159 equity shares. No bonds have been converted during financial year 2011-12.

As on March 31, 2012, there are 2,168 Foreign Currency Convertible Bonds (FCCB) outstanding.

xiv. Details of Public Funding Obtained in the Last Three Years

On July 22, 2009, the Company allotted 33,274,000 equity shares of ₹ 1/- each to promoter's entity Twin Star Holdings Limited at a premium of ₹ 160.46 per share aggregating to ₹ 537.24 crores.

On October 30, 2009, the Company had issued 5,000 Foreign Currency Convertible Bonds (FCCBs) aggregating to USD 500 million, which are listed and traded on Singapore Exchange Securities Trading Limited (the "SGX-ST") of which 755 bonds were converted into 10,447,402 equity shares of ₹ 1/- each at a premium of ₹ 345.88 per share in financial year 2009-10 and 2077 bonds were converted into 28,740,757 equity shares of ₹ 1/- each at a premium of ₹ 345.88 per share in financial year 2010-11.

Consequent to the approval (by the Honourable Supreme Court vide Order dated February 7, 2011) the Scheme of Amalgamation of its Subsidiary Company, Sesa Industries Limited (SIL) with Sesa Goa Limited with appointed date of April 1, 2005, the Board of Directors, at its meeting held on March 12, 2011 allotted 9,398,864 equity shares of ₹ 1/- each bearing distinctive numbers 85,97,02,560 to 86,91,01,423 to the shareholders of erstwhile SIL, holding shares as on Record Date, i.e. February 28, 2011, in the ratio of 1:5 (with benefits of sub-division and bonus), i.e. for every one share of SIL of ₹ 10 each, four shares of Sesa of ₹ 1/- each. As a result of allotment, the paid up share capital of the Company had gone up from ₹ 859,702,559 to ₹ 869,101,423.

Financial Year	Amt. raised through Public Funding	Effect on paid up Equity Share Capital
2009-10	Issue of 33,274,000 equity shares of ₹ 1/- each to promoter's entity Twin Star Holdings Limited at a premium of ₹ 160.46 per share aggregating to ₹ 537.24 crores	The number of paid up equity shares of the Company increased from 787,240,400 shares of ₹ 1/- each to 820,514,400 shares of ₹ 1/- each.

Financial Year	Amt. raised through Public Funding	Effect on paid up Equity Share Capital
2009-10	Issue of 5,000 Foreign Currency Convertible Bonds (FCCBs) aggregating to USD 500 million and consequent conversion of 755 bonds into equity shares	The number of paid up equity shares of the Company increased from 820,514,400 shares of ₹ 1/- each to 830,961,802 shares of ₹ 1/- each
2010-11	Further conversion into equity shares of 2,077 FCCB's issued in 2009-10	NIL On account of further conversions of 2,077 FCCB's issued in 2009-10, the number of paid up equity shares of the Company increased from 830,961,802 shares of ₹ 1/- each to 859,702,559 shares of ₹ 1/- each.
2010-11	Nil	On allotment of shares on March 12, 2011 to shareholders of erstwhile Sesa Industries Limited on Amalgamation, the number of paid up equity shares of the Company increased from 859,702,559 shares of ₹ 1/- each to 869,101,423 shares of ₹ 1/- each.

xv. Company's Registered Office Address

Sesa Goa Limited
Sesa Ghor, 20 EDC Complex,
Patto, Panaji, Goa 403001, India

Plant Locations

Mining establishments at Goa and Karnataka
Pig Iron Division at Navelim / Amona Goa
Metallurgical Coke (Met Coke) Division at Amona, Goa

xvi. Address for Correspondence on Share Issues

Karvy Computershare Private Limited
Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad – 500081
Tel: +91 40 4465 5000
Fax: +91 40 2342 0814
Email: ksreddy@karvy.com / shyamsingh@karvy.com

Or

The Secretarial Department

Sesa Goa Limited
Sesa Ghor, 20 EDC Complex, Patto, Panaji, Goa 403001, India
Tel: +91 832 2460601, Fax: +91 832 2460721
Email: c.chitnis@vedanta.co.in / mahesh.devjani@vedanta.co.in
Website: www.sesagoa.com

Annual Declaration by the Managing Director Pursuant to Clause 49(I) (D) (ii) of the Listing Agreement

As the Managing Director of Sesa Goa Limited and as required by Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year 2011-12.

Panaji

Date: April 24, 2012

For Sesa Goa Limited

P. K. Mukherjee

Managing Director

Auditors' Certificate

To,

The Members of Sesa Goa Limited

We have examined the compliance of the conditions of Corporate Governance by SESA GOA LIMITED ("the Company") for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreements of the said Company with the stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the state of affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants

Place: Panaji - Goa
Date: April 24, 2012

Rajesh K Hiranandani
Partner

Auditors' Report

To the Members of Sesa Goa Limited

1. We have audited the attached Balance Sheet of SESA GOA 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 the 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 the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 that date; and
 - (iii) in the case of the Cash Flow Statement of the cash flows for the year ended on that date.
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. 117366W)

Rajesh K Hiranandani

Partner
(Membership No. 36920)

Place: Panaji - Goa
Date: April 24, 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 explanations 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 the discrepancies noticed on physical verification, having regard to the size of the Company and the nature of its business, were not material.
- (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 deposits from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (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 all its products namely, iron ore, metallurgical coke and pig iron, and are of the opinion that *prima facie* the prescribed accounts and records have been made and 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, Sales Tax, Wealth Tax, Service 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) Details of 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 on account of disputes are given below:

Statute	Nature of dues	Amount (₹ in crore)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	160.37	Assessment Years 2004-05, 2007-08, 2008-09 and 2009-10	Commissioner of Income Tax (Appeals), Panaji
Income Tax Act, 1961	Income Tax	0.29	Assessment Years 2006-07	Income Tax Appellate Tribunal, Panaji
Sales Tax Act	Sales Tax	0.63	1997- 98 to 2000-01	Additional Commissioner of Sales Tax
Customs Act, 1962	Custom Duty	1.40	Assessment Year 2006-07	Custom Excise and Service Appellate Tribunal, Mumbai

- (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) According to the information and explanations given to us, the Company has not taken any term loan from a bank or 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.
- (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.
- (xvi) According to the information and explanations given to us, the Company has not availed any term loans during the year.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at March 31, 2012, we report that funds raised on short term basis amounting to ₹ 1,925.17 crores have, *prima facie*, been used during the year for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures.
- (xx) The Company has not raised any money by public issues 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. 117366W)
Rajesh K Hiranandani
Partner
(Membership No. 36920)

Place: Panaji - Goa
Date: April 24, 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	86.91	86.91
Reserves and surplus	4	12,826.28	11,501.90
		12,913.19	11,588.81
Non-current liabilities			
Long-term borrowings	5	1,109.07	968.01
Deferred tax liabilities (Net)	6	85.10	63.10
Other long-term liabilities	7	2.70	77.51
Long-term provisions	8	4.88	4.33
		1,201.75	1,112.95
Current liabilities			
Short-term borrowings	9	2,490.06	3.31
Trade payables	10	737.40	877.16
Other current liabilities	11	293.80	216.03
Short-term provisions	12	201.90	399.52
		3,723.16	1,496.02
		17,838.10	14,197.78
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	13	983.14	741.86
Intangible assets	13	9.85	18.01
Capital work-in-progress	13	681.00	504.54
Non-current investments	14	14,224.87	1,713.27
Long-term loans and advances	15	141.25	152.98
		16,040.11	3,130.66
Current assets			
Current investments	16	195.75	7,750.54
Inventories	17	757.29	636.10
Trade receivables	18	462.19	506.88
Cash and cash equivalents	19	72.01	891.32
Short-term loans and advances	20	310.75	1,268.16
Other current assets	21	-	14.12
		1,797.99	11,067.12
		17,838.10	14,197.78
See accompanying notes forming part of the financial statements	1 - 50		

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Rajesh K Hiranandani

Partner

Place: Panaji - Goa

Date: April 24, 2012

For and on behalf of the Board of Directors

P. K. Mukherjee

Managing Director

S. L. Bajaj

Director-Finance

Place: Panaji - Goa

Date: April 24, 2012

Amit Pradhan

Director

C. D. Chitnis

Company Secretary

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		7,104.34	8,295.22
Less: Excise duty		78.89	63.65
		7,025.45	8,231.57
Less: Ocean freight		512.00	738.49
Net revenue from operations	22	6,513.45	7,493.08
Other income	23	386.33	515.20
		6,899.78	8,008.28
EXPENSES			
Cost of materials consumed		572.16	397.35
Purchase of stock-in-trade		367.01	536.39
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	48.56	(12.13)
Employee benefits expense	25	191.44	149.08
Finance costs	26	420.00	86.15
Depreciation and amortisation expense		83.85	83.13
Other expenses	27	2,729.73	2,382.51
		4,412.75	3,622.48
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		2,487.03	4,385.80
Exceptional item	30	66.09	-
PROFIT BEFORE TAX		2,420.94	4,385.80
Less: Tax expense			
Current tax		719.00	963.00
Deferred tax		22.00	(10.00)
		741.00	953.00
PROFIT FOR THE YEAR		1,679.94	3,432.80
Earnings per equity share of ₹ 1 each	46		
Basic		19.33	39.98
Diluted		19.33	39.30
See accompanying notes forming part of the financial statements	1 - 50		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh K Hiranandani
Partner

Place: Panaji - Goa
Date: April 24, 2012

For and on behalf of the Board of Directors

P. K. Mukherjee
Managing Director

S. L. Bajaj
Director-Finance

Place: Panaji - Goa
Date: April 24, 2012

Amit Pradhan
Director

C. D. Chitnis
Company Secretary

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	2,420.94	4,385.80
Adjustments for:		
Depreciation and amortisation	83.85	83.13
Provision for doubtful trade receivables	-	0.07
Finance costs	236.79	35.38
Interest income	(13.09)	(173.01)
Dividend income	(273.17)	(259.92)
Profit on sale of fixed assets (net)	(0.83)	(0.65)
Profit on sale of current investments (net)	(97.00)	(61.86)
Provision for doubtful advances	-	0.12
Net unrealised exchange loss/(gain)	176.58	44.01
Operating profit before working capital changes	2,534.07	4,053.06
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(121.19)	(188.91)
Trade receivables	44.68	(153.09)
Short-term loans and advances	(14.79)	(125.23)
Long-term loans and advances	(1.43)	(3.37)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(140.61)	177.38
Other current liabilities	78.57	175.64
Other long-term liabilities	(74.81)	2.51
Short-term provisions	5.25	(0.73)
Long-term provisions	0.55	4.33
	(223.78)	(111.47)
Cash generated from operations	2,310.29	3,941.59
Taxes paid	(771.71)	(980.49)
Net cash flow from / (used in) operating activities (A)	1,538.58	2,961.10
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(481.41)	(837.29)
Proceeds from sale of fixed assets	1.97	4.30
(Purchase) / redemption of current investments	7,651.79	(3,673.47)
Purchase of long term investments		
Subsidiaries	(584.34)	-
Associates	(11,927.26)	-
Inter corporate deposits refunded	1,000.00	-
Inter corporate deposits placed	(6.17)	(26.71)
Proceeds on maturity of fixed deposits	10.00	2,340.00
Interest received	27.21	198.16
Dividend received	273.17	259.92
Net cash flow from / (used in) investing activities (B)	(4,035.04)	(1,735.09)

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:		
Short term borrowings (net)	2,452.09	(6.30)
Interest paid	(232.11)	(58.21)
Dividend and taxes paid thereon	(527.35)	(328.14)
Net cash flow from / (used in) financing activities (C)	1,692.63	(392.65)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(803.83)	833.36
Cash and cash equivalents at the beginning of the year	866.33	23.09
Add: Additions on amalgamation	-	9.88
Cash and cash equivalents at the end of the year	62.50	866.33
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	72.01	891.32
Less: Deposit with bank	-	(10.00)
Less: Unpaid dividend account	(9.51)	(14.99)
Cash and cash equivalents at the end of the year *	62.50	866.33
* comprises:		
Cash on hand	0.07	0.11
Cheques, drafts on hand	6.27	7.29
Balances with banks		
In current accounts	56.16	170.92
In deposit accounts with original maturity less than 3 months	-	688.00
In EEFC account	-	0.01
	62.50	866.33
Figures in brackets represent outflows		
See accompanying notes forming part of the financial statements (1-50)		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh K Hiranandani
Partner

Place: Panaji - Goa
Date: April 24, 2012

For and on behalf of the Board of Directors

P. K. Mukherjee
Managing Director

S. L. Bajaj
Director-Finance

Place: Panaji - Goa
Date: April 24, 2012

Amit Pradhan
Director

C. D. Chitnis
Company Secretary

Notes forming part of the financial statements

as at and for the year ended March 31, 2012

1 CORPORATE INFORMATION

Sesa Goa Limited ("Sesa" / "the Company") is India's largest producer and exporter of iron ore in the private sector. The Company is a majority owned and controlled subsidiary of Vedanta Resources plc, the London listed FTSE 100 diversified metals and mining major. For more than five decades, Sesa has been involved in iron ore exploration, mining, beneficiation and exports. Sesa has iron ore mining operations in Goa and Karnataka. It has recently acquired 51% stake in Western Cluster Limited, a Liberia based company engaged in developing the Western Cluster Iron Ore Deposits into a large integrated iron ore project. Sesa is also into manufacturing pig iron and metallurgical coke.

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 it in line with the useful life of the assets.
- Railway wagons procured under Wagon Investment Scheme (WIS) are depreciated at the rate of 10% per annum on SLM basis.
- Mining leases in proportion to actual quantity of ore extracted there from.
- Amounts paid for renewal of forest clearances of owned mining leases over the operating period of lease.
- 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. Expenses on implementation of Enterprise Resource Planning - SAP are amortised over thirty six months.

vi) Revenue recognition

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

Sale of goods

Revenue is recognised 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 tax/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.

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, except for the leasehold mine at Karnataka, are carried at historical cost (net 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 and attributable borrowing and financing costs incurred upto the date the asset is ready for its intended use.

The iron ore reserves of the leased mine located in Karnataka were valued and shown as fixed assets by erstwhile A. Narrain Mines Ltd. (ANML). The Company continues to show the value of the said mining lease as fixed assets after merger of the said ANML. The Company's other mining leases having ore reserves, however, are not valued. Amounts paid to government authorities towards renewal of forest clearances in respect of owned mining leases are capitalized as a part of mining leases.

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 difference arising on restatement or settlement is charged to the Statement of Profit and Loss.

x) Foreign currency forward contracts

The Company enters into forward derivative financial instruments to hedge its exposure to foreign currency. The Company does not hold derivative financial instruments for speculative purposes. Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet dates.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in Reserves and Surplus. Amount deferred to Reserves and Surplus are recycled in the Statement of Profit and Loss in the period when the hedged item is recognised in the Statement of Profit and Loss.

Derivative financial instruments that do not qualify for hedge accounting are marked to market at the balance sheet date and gains or losses are recognised in the Statement of Profit and Loss immediately.

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in Reserves and Surplus is kept in reserves and surplus until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Reserves and Surplus is transferred to the Statement of Profit and Loss for the year.

xi) 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.

xii) 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.

xiii) 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.

Annuity 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.

xiv) 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".

xv) Segment reporting

The Company is in the business of mining and sale of iron ore and manufacture and sale of metallurgical coke and pig iron. All of the Company's establishments are located in one country i.e. India. The revenues from other than sale of iron ore, metallurgical coke and pig iron are either incidental to the above three businesses or of non-

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

recurring nature. Therefore the Company operates in three business segments.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis, have been included under "Unallocated revenue / expenses / assets / liabilities".

xvi) Taxes on income

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

xvii) Impairment of assets

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

xviii) 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.

3. SHARE CAPITAL

Particulars	March 31, 2012		March 31, 2011	
	Number of Shares	₹ in crore	Number of Shares	₹ in crore
Authorised				
Equity shares of ₹ 1 each with voting rights	1,000,000,000	100.00	1,000,000,000	100.00
Issued, subscribed and fully paid-up				
Equity shares of ₹ 1 each with voting rights, fully paid up	869,101,423	86.91	869,101,423	86.91
Total	869,101,423	86.91	869,101,423	86.91

a. Reconciliation of equity shares and amounts outstanding

Particulars	March 31, 2012		March 31, 2011	
	Number of Shares	₹ in crore	Number of Shares	₹ in crore
At the beginning of the year	869,101,423	86.91	830,961,802	83.10
Conversion of Foreign Currency Convertible Bonds	-	-	28,740,757	2.87
Pursuant to a scheme of amalgamation	-	-	9,398,864	0.94
At the end of the year	869,101,423	86.91	869,101,423	86.91

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

3. SHARE CAPITAL (CONTD.)

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1. The equity shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 1956.

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

Particulars	March 31, 2012		March 31, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Finsider International Company Limited	401,496,480	46.20	401,496,480	46.20
West Globe Limited	44,343,139	5.10	44,343,139	5.10
Twinstar Holdings Limited	33,274,000	3.83	33,274,000	3.83

All the above entities are subsidiaries of Vedanta Resources Plc. Accordingly, Vedanta Resources Plc. is the ultimate holding company.

d. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

Particulars	March 31, 2012	March 31, 2011
Equity shares allotted as fully paid-up shares for consideration other than cash pursuant to a scheme of amalgamation	9,398,864	9,398,864
Equity shares allotted as fully paid-up bonus shares pursuant to capitalisation of reserves and securities premium account.	393,620,200	393,620,200

e. Details of shareholders holding more than 5% shares in the Company other than as shown in (c) above.

Name of Shareholder	March 31, 2012		March 31, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Franklin Templeton Investment Funds	85,073,669	9.79	85,969,443	9.89

f. Terms of securities convertible into equity shares

For shares to be issued on conversion of Foreign Currency Convertible Bonds, refer note 5

4. RESERVES AND SURPLUS

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Capital reserve		
Balance as at the beginning and end of the year	0.25	0.25
Securities premium account		
Balance as at the beginning of the year	1,869.42	875.34
Add: Amount received upon conversion of Foreign Currency Convertible Bonds into equity shares.	-	994.08
Balance as at the end of the year	1,869.42	1,869.42

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

4. RESERVES AND SURPLUS (CONTD.)

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Amalgamation reserve		
Balance as at the beginning of the year	2.14	-
Add: Arising on amalgamation with Sesa Industries Limited	-	2.14
Balance as at the end of the year	2.14	2.14
General reserve		
Balance as at the beginning of the year	8,492.37	5,952.32
Add: Transferred on amalgamation with Sesa Industries Limited	-	40.05
Add: Transferred from surplus balance in the Statement of Profit and Loss	500.00	2,500.00
Balance as at the end of the year	8,992.37	8,492.37
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	1,137.72	297.70
Add: Profit for the year	1,679.94	3,432.80
Add: Arising on amalgamation with Sesa Industries Limited	-	283.48
	2,817.66	4,013.98
Less:		
Interim dividend	(173.82)	-
Proposed final dividend	(173.82)	(304.18)
Dividend in respect of Foreign Currency Convertible Bonds converted	-	(9.85)
Dividend to shareholders of erstwhile Sesa Industries Limited on amalgamation	-	(12.88)
Tax on dividends*	(7.92)	(49.35)
Transfer to general reserve	(500.00)	(2,500.00)
Balance as at the end of the year	1,962.10	1,137.72
Total	12,826.28	11,501.90

* net of corporate dividend tax credit on dividend received from a subsidiary

5. LONG-TERM BORROWINGS

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Unsecured		
Foreign currency convertible bonds (Refer note below)	1,109.07	968.01
Total	1,109.07	968.01

During the year ended March 31, 2010, the Company had issued 5,000 Foreign Currency Convertible Bonds ("FCCBs") aggregating US\$ 500 million at a coupon rate of 5% (net to bondholder).

The bondholders have an option to convert these FCCBs into shares, at a conversion price of ₹ 346.88 per share and at a fixed rate of exchange on conversion of ₹ 48.00 per U.S. \$ 1.00 at any time on or after December 9, 2009. The conversion price is subject to adjustment in certain circumstances. The FCCBs may be redeemed in whole, but not in part, on or after October 30, 2012, subject to certain conditions. Unless previously converted, redeemed or repurchased and cancelled, the FCCBs fall due for redemption on October 31, 2014 at par.

Upto March 31, 2012, 2,832 FCCB's have been converted into 39,188,159 equity shares.

A part of the FCCB proceeds aggregating ₹ 1,040.86 crores (March 31, 2011 ₹ 775.28 crores) has been utilised for the Company's capital projects.

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

6. DEFERRED TAX LIABILITIES (NET)		₹ in crore
Particulars	March 31, 2012	March 31, 2011
Deferred tax liabilities:		
Depreciation allowance	95.90	72.92
	95.90	72.92
Deferred tax assets:		
Compensated absences	6.36	4.47
Disallowances u/s 43B of the Income Tax Act, 1961	4.44	5.35
	10.80	9.82
Deferred tax liabilities (Net)	85.10	63.10

7. OTHER LONG-TERM LIABILITIES		₹ in crore
Particulars	March 31, 2012	March 31, 2011
Security deposits received	2.70	2.51
Amount withheld on acquisition of subsidiary as per share purchase agreement	-	75.00
Total	2.70	77.51

8. LONG TERM PROVISIONS		₹ in crore
Particulars	March 31, 2012	March 31, 2011
Provision for employee benefits		
Compensated absences	3.16	2.61
Provision - Others		
Provision for mine closure	1.72	1.72
Total	4.88	4.33

9. SHORT TERM BORROWINGS		₹ in crore
Particulars	March 31, 2012	March 31, 2011
Secured:		
Loans repayable on demand from banks		
Cash credit	1.50	3.31
(Secured against hypothecation of finished goods, consumables, stores, book debts and lodgement of letters of credit)		
	1.50	3.31
Unsecured:		
Other loans and advances		
Packing credit in foreign currencies from banks	1,279.40	-
Commercial paper [Maximum balance outstanding during the year ₹ 2,469.75 crores (Previous year ₹ Nil)]	1,125.49	-
Buyers' credit	83.67	-
	2,488.56	-
Total	2,490.06	3.31

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 41)	0.28	0.85
Others	737.12	876.31
Total	737.40	877.16
Trade payable others include:		
Accrued payroll	19.71	21.31
Accrued expenses	174.05	329.01

11. OTHER CURRENT LIABILITIES

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Interest accrued but not due on borrowings	27.36	22.68
Unpaid dividends	9.51	14.99
Unpaid matured deposits and interest accrued thereon	0.06	0.06
Other payables		
Statutory deductions including withholding taxes	33.02	28.71
Payables on account of fixed assets	53.80	52.82
Trade and security deposits received	21.68	15.59
Advances from customers	11.81	22.56
Other deductions	1.55	1.52
Amount withheld on acquisition of subsidiary as per share purchase agreement	126.64	51.91
Gratuity	7.72	5.19
Other liabilities	0.65	-
Total	293.80	216.03

12. SHORT TERM PROVISIONS

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Provision for employee benefits		
Compensated absences	20.16	14.91
Provision - Others		
Provision for income tax (net of advances)	-	31.08
Proposed final dividend	173.82	304.18
Tax on proposed final dividend	7.92	49.35
Total	201.90	399.52

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

13. FIXED ASSETS

Particulars	Gross block			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	As at March 31, 2012
Tangible assets								
Mining leases	16.60	-	-	12.10	0.95	-	13.05	3.55
Mining concessions	0.68	-	-	0.65	-	-	0.65	0.03
Land plots (Note a)	135.95	16.85	-	0.05	-	-	0.05	135.90
Road and bunders	4.84	1.00	-	0.71	0.09	-	0.80	4.13
Buildings	63.78	17.40	0.08	14.28	1.74	0.04	15.98	49.50
Plant and equipment	768.26	186.46	14.00	330.81	60.78	13.28	378.31	437.45
Furniture and fixtures	6.42	1.18	0.06	2.85	0.66	0.05	3.46	3.57
Vehicles	14.60	3.05	2.05	7.65	2.37	1.80	8.22	6.95
Office equipment	9.34	1.85	0.06	2.14	0.57	0.02	2.69	7.20
Aircraft (Note b)	1.46	-	-	0.46	0.08	-	0.54	1.00
River fleet	66.56	89.00	0.15	14.82	3.49	0.07	18.24	51.74
Ship	97.60	1.32	-	57.71	4.96	-	62.67	39.89
Previous year	1,186.09	318.11	16.40	444.23	75.69	15.26	504.66	983.14
	824.70	385.40	24.01	317.97	146.62	20.36	444.23	741.86
Intangible assets								
Mining rights	12.10	-	-	9.09	2.70	-	11.79	0.31
Computer software	16.36	-	-	1.36	5.46	-	6.82	9.54
	28.46	-	-	10.45	8.16	-	18.61	9.85
Previous year	12.10	16.36	-	6.68	3.77	-	10.45	18.01
Capital work-in-progress (Note c)								
								681.00
Total								1,673.99
								1,264.41

Notes:

- Land plots include under perpetual lease ₹ 1.99 crores (Previous year ₹ 1.99 crores)
- Aircraft represents 50% undivided interest in a P68C aircraft.
- Amount includes ₹ 14.71 crores interest capitalised during the year (Previous year ₹ 4.55 crores).
- Previous year figures for tangible assets include assets acquired on amalgamation ₹ 150.15 crores additions in gross block and ₹ 67.26 crores in depreciation charge.

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 Resources Limited	1,713.24	1,713.24
1,250,000 (Previous year 12,50,000) equity shares of ₹ 10 each fully paid-up		
Other than trade (at cost)		
Investment in equity instruments (quoted)		
In an associate company		
Cairn India Limited	11,927.26	-
351,140,413 (Previous year Nil) equity shares of ₹ 10 each fully paid-up		
Investment in equity instruments (unquoted)		
In subsidiary companies		
Bloom Fountain Limited	4.43	-
1,000,001 (Previous year Nil) equity shares of USD 1 each fully paid-up		
Goa Energy Private Limited	14.02	-
10,000 (Previous year Nil) equity shares of ₹ 10 each fully paid-up		
In other companies		
Goa Shipyard Limited	0.03	0.03
62,707 (Previous year 62,707) equity shares of ₹ 10 each fully paid-up (including 34,837 bonus shares)		
In co-operative societies		
Sesa Ghor Premises Holders' Maintenance Society Limited	-	-
400 (Previous year 400) equity shares of ₹ 10 each fully paid-up [₹ 4,000 (Previous year ₹ 4,000)]		
Sesa Goa Sirsaim Employees' Consumers Co-operative Society Limited	-	-
200 (Previous year 200) equity shares of ₹ 10 each fully paid-up [₹ 2,000 (Previous year ₹ 2,000)]		
Sesa Goa Sanquelim Employees' Consumers Co-operative Society Limited	-	-
230 (Previous year 230) equity shares of ₹ 10 each fully paid-up [₹ 2,300 (Previous year ₹ 2,300)]		
Sesa Goa Sonshi Employees' Consumers Co-operative Society Limited	-	-
468 (Previous year 468) equity shares of ₹ 10 each fully paid-up [₹ 4,680 (Previous year ₹ 4,680)]		

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

14. NON CURRENT INVESTMENTS (CONTD.)

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Sesa Goa Codli Employees' Consumers Co-operative Society Limited 450 (Previous year 450) equity shares of ₹ 10 each fully paid-up [₹ 4,500 (Previous year ₹ 4,500)]	-	-
Sesa Goa Shipyard Employees' Consumers Co-operative Society Limited 500 (Previous year 500) equity shares of ₹ 10 each fully paid-up [₹ 5,000 (Previous year ₹ 5,000)]	-	-
The Mapusa Urban Cooperative Bank Limited 40 (Previous year 40) equity shares of ₹ 25 each fully paid-up [₹ 1,000 (Previous year ₹ 1,000)]	-	-
Investment in preference shares (unquoted)		
In subsidiary companies		
Bloom Fountain Limited 1,167,500 (Previous year Nil) 0.25% Optional convertible redeemable preference shares of USD 1 each fully paid-up	528.32	-
Application money pending allotment of shares		
Goa Energy Private Limited	33.00	-
Bloom Fountain Limited	4.57	-
	14,224.87	1,713.27
Less : Provision for diminution in value of Investments [₹ 5,000 (Previous year ₹ 5,000)]	-	-
Total	14,224.87	1,713.27
Aggregate amount of quoted investments [Market value of ₹ 11,724.58 crores (Previous year ₹ Nil)]	11,927.26	-
Aggregate amount of unquoted investments	2,297.61	1,713.27

15. LONG TERM LOANS AND ADVANCES

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Unsecured, considered good		
Capital advances	136.45	149.61
Security deposits	0.76	0.67
Loans and advances to employees	0.22	0.30
Prepaid expenses	3.82	2.40
Total	141.25	152.98

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

16. CURRENT INVESTMENTS

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Unquoted (at lower of cost and fair value)		
In mutual funds		
Birla Short Term FMP Series 4 - Dividend Payout Nil (Previous year 125,000,000) units	-	125.00
Birla Short Term Opportunity Fund - Dividend Payout Nil (Previous year 509,179,244) units	-	509.90
Birla Sun Life Cash Plus - Institutional - Daily Dividend Reinvestment 571,494 (Previous year 25,907,618) units	6.17	27.99
Birla Sun Life Ultra Short Term Fund - Institutional - Growth Nil (Previous year 290,942,270) units	-	340.09
Birla Sun Life Fixed Term Plan - Series CD (370 Days) - Growth Option Nil (Previous year 50,000,000) units	-	50.00
Canara Robeco Floating Rate Short Term - Growth Nil (Previous year 32,896,763) units	-	50.02
Canara Robeco Liquid - Super Institutional - Daily Dividend Reinvestment 298,563 (Previous year Nil) units	30.02	-
Canara Robeco Treasury Advantage Fund Super Institutional Fund Nil (Previous year 221,454,262) units	-	328.71
DSP BlackRock FMP - 3M Series 27 - Dividend Nil (Previous year 100,000,000) units	-	100.00
DSP BlackRock Money Manager Fund - Institutional - Growth Nil (Previous year 1,484,351) units	-	202.72
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Growth Nil (Previous year 19,306,033) units	-	41.55
HDFC Floating Rate Income Fund - Short Term Plan - Whole - Growth Nil (Previous year 71,921,574) units	-	120.33
HDFC FMP 370 Days 2010 (2) - Dividend Payout Nil (Previous year 35,000,000) units	-	35.00
HDFC FMP 370D June 2010 (1) - Growth Nil (Previous year 25,000,000) units	-	25.00
ICICI Prudential Floating Rate - Plan D - Growth Nil (Previous year 11,831,442) units	-	172.12
ICICI Prudential FMP Series 51 - 1 Year Plan B - Growth Nil (Previous year 20,000,000) units	-	20.00
ICICI Prudential MF - Flexible Income Plan - Institutional - Daily Dividend Nil (Previous year 14,187,909) units	-	150.02

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
ICICI Prudential MF - Flexible Income Plan - Institutional - Growth Nil (Previous year 3,531,557) units	-	64.56
ICICI Prudential Liquid Plan - Super Institutional - Daily Dividend 3,524,203 (Previous year Nil) units	35.25	-
ICICI Prudential Banking and PSU Debt Fund - Daily Dividend Nil (Previous year 236,502,794) units	-	238.19
ICICI Prudential Blended Plan B - Institutional Plan - Dividend Reinvested Nil (Previous year 635,304,036) units	-	635.78
ICICI Prudential Blended Plan B - Institutional Plan - Dividend Payout Nil (Previous year 96,108,558) units	-	100.01
ICICI Prudential Interval Fund II - Quarterly Interval Plan - Institutional - Dividend Nil (Previous year 49,981,507) units	-	50.00
ICICI Prudential FMP Series 52 - 1 Year Plan A - Growth Option Nil (Previous year 20,000,000) units	-	20.00
IDFC Cash Fund - Super Institutional Plan C - Daily Dividend 12,037 (Previous year Nil) units	1.21	-
IDFC Fixed Maturity Monthly Series - 30 - Dividend Nil (Previous year 150,000,000) units	-	150.00
IDFC Money Manager Fund - Institutional Plan B - Growth Option Nil (Previous year 171,669,399) units	-	200.00
IDFC Savings Advantage Fund - Plan A - Daily Dividend Nil (Previous year 2,512,331) units	-	251.27
Kotak FMP 370 Days Series 3 - Growth Nil (Previous year 50,000,000) units	-	50.00
Kotak Quarterly Institutional Plan Series 9 - Dividend Payout Nil (Previous year 79,968,812) units	-	80.00
Kotak Quarterly Institutional Plan Series 10 - Dividend Payout Nil (Previous year 89,975,707) units	-	90.00
Kotak Liquid Institutional Premium - Daily Dividend 40,907,942 (Previous year Nil) units	50.02	-
Kotak Floater Long Term - Growth Nil (Previous year 260,297,999) units	-	405.70
Reliance Fixed Horizon Fund - XIV - Series 1 - Super Institutional Growth Nil (Previous year 100,000,000) units	-	100.00

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 Fixed Horizon Fund - XIV - Series 5 - Super Institutional Growth Nil (Previous year 50,000,000) units	-	50.00
Reliance Fixed Horizon Fund - XV - Series 4 - Super Institutional Growth Nil (Previous year 50,000,000) units	-	50.00
Reliance Fixed Horizon Fund - XV - Series 5 - Super Institutional Growth Nil (Previous year 25,000,000) units	-	25.00
Reliance Fixed Horizon Fund - XV - Series 6 - Super Institutional Dividend Nil (Previous year 200,000,000) units	-	200.00
Reliance Liquidity Fund - Daily Dividend Reinvestment 3,940,795 (Previous year Nil) units	3.94	-
Reliance Monthly Interval Fund - Series I - Institutional - Dividend Nil (Previous year 149,956,487) units	-	150.01
Reliance Monthly Interval Fund - Series II - Institutional - Dividend Nil (Previous year 295,872,387) units	-	296.02
Reliance Mutual Fund - Money Manager Fund - Dividend Nil (Previous year 1,229,658) units	-	123.14
Reliance Quarterly Interval Fund - Series I - Dividend Nil (Previous year 163,724,422) units	-	164.01
Religare FMP - Series - II Plan B (15 Months) - Growth Nil (Previous year 120,000,000) units	-	120.00
Religare FMP - Series - II Plan A (13 Months) - Growth Nil (Previous year 60,000,000) units	-	60.00
Religare FMP - Series - II Plan C (15 Months) - Growth Nil (Previous year 100,000,000) units	-	100.00
Religare FMP - Series - II Plan F (13 Months) - Growth Nil (Previous year 100,000,000) units	-	100.00
Religare FMP - Series - III Plan A (12 Months) - Growth Nil (Previous year 50,000,000) units	-	50.00
Religare FMP - Series - III Plan C (370 Days) - Dividend Nil (Previous year 50,000,000) units	-	50.00
Religare Liquid Fund - Super Institutional - Daily Dividend 505,841 (Previous year Nil) units	50.63	-
SBI Debt Fund Series - 370 Days - Institutional Growth Nil (Previous year 90,000,000) units	-	90.00

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
SBI Short Horizon Debt Fund - Ultra Short Term Institutional Plan Nil (Previous year 98,965,620) units	-	126.69
SBI Premier Liquid Fund - Super Institutional - Daily Dividend Nil (Previous year 73,902,961) units	-	74.14
Tata Fixed Maturity Plan Series 26 - Plan - A - Growth Nil (Previous year 20,000,000) units	-	20.00
Tata Floater Fund - Growth Option Nil (Previous year 378,325,039) units	-	554.89
Tata Liquid Fund - Super High Investment - Daily Dividend 166,069 (Previous year Nil) units	18.51	-
UTI - Fixed Income Interval Fund - Monthly Interval Plan I - Dividend Nil (Previous year 74,964,017) units	-	75.00
UTI - Fixed Income Interval Fund - Monthly Interval Plan II - Dividend Nil (Previous year 74,968,010) units	-	74.99
UTI - Floating Rate Fund - Short Term Plan - Institutional - Growth Nil (Previous year 3,956,487) units	-	437.64
UTI - Treasury Advantage Fund - Institutional Plan - Growth Nil (Previous year 189,722) units	-	25.05
Total	195.75	7,750.54
Net asset value	195.75	7,831.44

17. INVENTORIES

₹ in crore

Particulars	March 31, 2012	March 31, 2011
At lower of cost and net realisable value		
Raw materials [including goods in transit ₹ 54.95 crores (Previous year ₹ 116.32 crores)]	460.73	294.84
Work-in-progress	0.15	0.32
Finished goods		
Iron ore	200.86	226.52
Metallurgical coke	22.51	35.14
Pig iron	28.48	38.58
Consumables stores and spares	44.56	40.70
Total	757.29	636.10

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

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	31.93	29.63
Doubtful	0.02	0.09
	31.95	29.72
Less: Provision for doubtful trade receivables	0.02	0.09
	31.93	29.63
Others trade receivables		
Unsecured, considered good	430.26	477.25
Total	462.19	506.88
Other trade receivables include amount in respect of sale of iron ore not due as at March 31, 2012 pending decision from the Supreme Court.	128.71	-

19. CASH AND CASH EQUIVALENTS

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Cash on hand	0.07	0.11
Cheques, drafts on hand	6.27	7.29
Balances with banks		
In current accounts	56.16	170.92
In deposit accounts with original maturity less than 3 months	-	688.00
In EEFC account	-	0.01
In earmarked accounts		
Unpaid dividend account	9.51	14.99
In deposit account with original maturity for more than 3 months but less than 12 months	-	10.00
Total	72.01	891.32
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is	62.50	866.33

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		
Intercompany deposits	32.88	1,026.71
Others	6.87	-
Loans and advances to employees [Dues from directors ₹ Nil (Previous year ₹ 0.01 crores)]	0.41	0.73
Prepaid expenses	6.02	5.53
Security deposits	17.46	12.06
Balance with government authorities		
CENVAT credit receivable	6.32	6.23
VAT credit receivable	15.66	15.39
Service tax credit receivable	11.58	5.57
Export duty receivable	57.15	79.25
Service tax refund receivable	26.10	9.47
Deposit with government authorities pursuant to a Court order	40.23	32.97
Others	0.65	0.34
Advance income tax (net of provision for income tax)	21.63	-
Advances to suppliers		
Considered good	67.79	73.91
Doubtful	0.62	0.62
	68.41	74.53
Less: Provision for doubtful loans and advances	0.62	0.62
	67.79	73.91
Total	310.75	1,268.16

21. OTHER CURRENT ASSETS

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Interest accrued on deposits	-	14.12
Total	-	14.12

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

22. REVENUE FROM OPERATIONS

₹ in crore

Particulars	March 31, 2012	March 31, 2011
a. Sale of products		
Sale of iron ore	6,059.92	7,372.74
Less: Ocean freight	510.09	736.31
	5,549.83	6,636.43
Sale of metallurgical coke	200.73	142.10
Less: Excise duty	9.92	0.69
	190.81	141.41
Less: Ocean freight	0.02	0.01
	190.79	141.40
Sale of pig iron	791.10	728.87
Less: Excise duty	68.97	62.96
	722.13	665.91
Less: Ocean freight	1.89	2.17
	720.24	663.74
	6,460.86	7,441.57
b. Sale of services		
Hire of transhipper	3.68	5.88
Hire of barges and jetties	14.16	7.32
Repairs of vessels by shipyard	1.64	4.66
Proceeds from other services	8.28	13.04
	27.76	30.90
c. Other operating revenues		
Sale of materials	8.96	9.29
Sale of carbon credits	7.94	4.44
Sale of gases	2.95	3.11
Sale of slag	4.98	3.77
	24.83	20.61
Total	6,513.45	7,493.08

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	6.61	91.03
on bank deposits	4.79	81.89
others	1.69	0.09
Dividends		
from a subsidiary company	187.50	-
on other long term investments	-	0.06
on current investments	85.67	259.86
Profit on sale of current investments (net)	97.00	61.86
Profit on sale of fixed assets (net)	0.83	0.65
Net gain on foreign currency transactions and translations	-	17.38
Other non-operating income	2.24	2.38
Total	386.33	515.20

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		
Iron ore	226.52	263.65
Metallurgical coke	35.14	10.66
Pig iron	38.58	12.38
Work in progress (Metallurgical coke)	0.32	1.74
	300.56	288.43
Inventories at the end of the year		
Finished goods		
Iron ore	200.86	226.52
Metallurgical coke	22.51	35.14
Pig iron	28.48	38.58
Work in progress (Metallurgical coke)	0.15	0.32
	252.00	300.56
Net decrease / (increase)	48.56	[12.13]

25. EMPLOYEE BENEFITS EXPENSE

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Salaries, wages and incentives	155.72	121.58
Contributions to provident and other funds	17.67	13.53
Staff welfare expenses	18.05	13.97
Total	191.44	149.08

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

26. FINANCE COST

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Interest expense		
Working capital loans and commercial paper	186.67	2.11
Foreign currency convertible bonds	45.17	27.86
Others	4.95	5.29
Other borrowing costs	1.38	2.11
Net loss on foreign currency transactions and translations in respect of borrowings	181.83	48.78
(represents exchange differences arising from foreign currency borrowings to the extent regarded as an adjustment to interest cost)		
Total	420.00	86.15

27. OTHER EXPENSES

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Consumption of stores and spare parts	280.03	244.58
Repairs and maintenance		
Plant and machinery	15.23	14.41
Buildings	2.79	7.48
Others	3.23	1.26
Contractors for hired trucks and other services	501.57	615.56
Hire of barges	43.17	61.52
Wharfage, tonnage, handling and shipping expenses	88.27	123.41
Railway freight	-	274.38
Rent	4.60	3.99
Royalty and cess	242.00	249.61
Rates and taxes	5.33	3.51
Insurance	9.35	12.45
Power and Fuel	15.17	14.97

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

27. OTHER EXPENSES (CONTD.)

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Water charges	1.59	-
Excise duty on variation in stocks of finished goods	0.16	3.75
Payments to auditors		
as Auditors - statutory audit	0.30	0.28
for taxation matters	0.03	-
for other services	0.44	0.35
Reimbursement of expenses	0.06	0.04
Sitting fees and commission to non wholetime directors	0.64	0.49
Travelling and representation expenses	9.47	9.80
Professional and legal charges	40.69	35.17
Provision for doubtful trade receivables	-	0.07
Provision for doubtful loans and advances	-	0.12
Export duty	1,193.39	516.05
Demurrage over despatch	55.77	144.71
Commission and brokerage	0.58	2.12
Testing and analysis expenses	1.86	3.86
Net loss on foreign currency transactions and translations	167.52	-
Miscellaneous expenses	71.52	65.91
	2,754.76	2,409.85
Less: Extraction and processing cost recovered	25.03	27.34
Total	2,729.73	2,382.51

28. During the year, the Company has made the following business acquisitions /strategic investments -

- along with its subsidiary Sesa Resources Limited, an equity stake aggregating 20% for ₹ 13,074.84 crores in the equity share capital of Cairn India Ltd ("CIL").
- through its wholly owned subsidiary, Bloom Fountain Limited, a 51% stake in Western Cluster Limited, Liberia ("WCL") for a cash consideration of ₹ 411.20 crores. WCL will develop the western cluster Iron Ore Project in Liberia which includes development of iron ore deposits, necessary transportation and shipping infrastructure for export of iron ore; and
- acquisition on March 2, 2012 of a 100% stake in the equity share capital of Goa Energy Private Limited ("GEPL") for an enterprise value of ₹ 104.18 crores on cash-free, debt-free basis including working capital of ₹ 5.93 crores. GEPL owns a 30 MW power plant in Goa which utilises the waste heat gases from Sesa's coke making and pig iron facilities."

29. The Board of Directors at their meeting held on February 25, 2012, has approved a Scheme of Amalgamation and Arrangement amongst Sterlite Industries (India) Limited, The Madras Aluminium Company Limited, Sterlite Energy Limited, Vedanta Aluminium Limited, and Sesa Goa Limited ("the Company") and their respective shareholders and creditors (the "Scheme") and also a Concurrent Scheme of Amalgamation of Ekaterina Limited with the Company and their respective shareholders and creditors (the "Concurrent Scheme"). The Scheme and the Concurrent Scheme are inter-conditional and the Concurrent Scheme coming into effect is a condition precedent to the effectiveness of the Scheme. Further, the name of the Company is proposed to be changed from Sesa Goa Limited to Sesa Sterlite Limited. The schemes are subject to regulatory approvals.

30. Exceptional items pertains to advisory fees, taxes thereon and other expenses incurred for the strategic investment in Cairn India Limited.

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

- 31.** During the previous year the Company had acquired assets of Bellary Steel and Alloys Limited for a consideration of ₹ 220 crores, on an "As is where is" basis.

The above acquisition has been challenged by JSW Limited in the Supreme Court. The Court has directed both the parties to maintain status quo till the matter is decided. In the meanwhile, freehold land at ₹ 121.12 crores continues to be included in fixed assets and balance ₹ 98.88 in capital work-in-progress.

- 32.** During the year ended March 31, 2010, the Company had issued 33,274,000 equity shares of ₹ 1 each at a premium of ₹ 160.46 per share for cash to Twin Star Holdings Limited on a preferential basis under the applicable provisions of The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 (the "Guidelines"). Entire proceeds aggregating ₹ 537.24 crores (Previous year to the extent of ₹ 101.47 crores) has been utilized for the Company's capital projects.

33. CONTINGENT LIABILITIES:

- i) Guarantees (excluding the liability for which provisions have been made) amounting to ₹ 23.22 crores (Previous year ₹ 7.83 crores) given by the bankers in favour of various parties.
- ii) Letters of Credit opened by the banks in favour of suppliers amounting to ₹ 138.19 crores (Previous year ₹ 363.13 crores).
- iii) Bonds executed in favour of customs authorities in respect of export of iron ore ₹ 2,474.82 crores (Previous year ₹ 1,627.71 crores).
- iv) Claims by custom authorities (under dispute) relating to differential export duty on export shipments ₹ 34.41 crores (Previous year ₹ 49.13 crores). The said amount is also included under bonds executed detailed in (iii) above.
- v) Bills discounted under letters of credit with banks ₹ 137.03 crores (Previous year ₹ 353.90 crores).
- vi) Disputed income tax demands of ₹ 245.38 crores (Previous year ₹ 19.51 crores) including interest and penalty of ₹ 62.36 crores (Previous year ₹ 1.71 crores), where the Company is in appeal before Appellate Authority
- vii) Disputed forest development tax amounting to ₹ 195.36 crores (Previous year ₹ 173.96 crores) levied by Government of Karnataka challenged by writ petition filed in the High Court of Karnataka. Hearing of writ petition before the High Court of Karnataka is pending. A bank guarantee amounting to ₹ 45.00 crores (Previous year ₹ 35.00 crores) has been furnished against this demand. Also, an amount of ₹ 40.23 crores (Previous year ₹ 32.97 crores) has been deposited against the aforesaid demand and same is included under Short term loans and advances.
- viii) Cess on transportation of Ore, coal and coke within Goa levied by Government of Goa under the Goa Rural Development and Welfare Cess Act, 2000 (Goa Act 29 of 2000) amounting to ₹ 98.35 crores (Previous year ₹ 73.16 crores) challenged by way of writ petition in the High Court of Bombay, Panjim Bench.
- ix) Other claims against the Company not acknowledged as debts:
 - a) Dead rent on deemed mining leases for the period from 20.12.1962 to 23.5.1987 amounting to ₹ 0.10 crores (Previous year ₹ 0.10 crores) and royalty for the period from 20.12.1961 to 30.9.1963 amounting to ₹ 0.12 crores (Previous year ₹ 0.12 crores) sought to be levied by the Government pursuant to the Goa, Daman & Diu Mining Concessions (Abolition & Declaration as Mining Leases) Act 1987, challenged by Special Leave Petition before Supreme Court of India.
 - b) Claims related to commercial and employment contracts ₹ 4.26 crores (Previous year ₹ 7.40 crores).
 - c) Demand from Railway authorities towards stacking charges amounting to ₹ 4.09 crores (Previous year ₹ 4.09 crores) appealed before Kolkata High court and stay obtained. A bank guarantee amounting to ₹ 4.09 crores (Previous year ₹ 4.09 crores) has been furnished against this demand.
 - d) Others ₹ 3.32 crores (Previous year ₹ 3.32 crores).

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

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.

34. COMMITMENTS:

- a) Estimated amount of contracts remaining to be executed on capital account ₹ 145.29 crores (Previous year ₹ 319.16 crores).
- b) Letter of support issued to Bloom Fountain Limited, wholly owned subsidiary, to provide financial support in order to allow it to meet its liabilities as they fall due for a period of not less than one year.

35. DIRECT EXPENDITURE ON REPAIRS AND MAINTENANCE INCLUDED UNDER MAJOR HEADS OF EXPENSES ARE AS UNDER:

₹ in crore				
Particulars	Plant and machinery	Buildings	Others	Total
Salaries, wages and incentives	20.04	0.42	4.36	24.82
	(14.42)	(0.64)	(0.21)	(15.27)
Consumption of stores and spare parts	93.85	1.46	0.20	95.51
	(59.63)	(2.12)	(0.60)	(62.35)
Contractors for hired trucks and other services	11.92	0.17	0.43	12.52
	(15.53)	(0.45)	(0.51)	(16.49)
Others	3.01	3.19	0.20	6.40
	(1.73)	(1.88)	(0.17)	(3.78)
Total	128.82	5.24	5.19	139.25
	(91.31)	(5.09)	(1.49)	(97.89)

(Figures in brackets relate to previous year)

36. i) Values for sales, closing and opening inventories of finished goods

₹ in crore				
Particulars	Iron ore	Metallurgical coke	Pig iron	Total
Opening stock as on April 1, 2011	226.52	35.14	38.58	300.24
	(263.65)	(10.66)	(-)	(274.31)
Sales	5,549.83	190.79	720.24	6,460.86
	(6,636.43)	(141.40)	(663.74)	(7,441.57)
Closing stock as on March 31, 2012	200.86	22.51	28.48	251.85
	(226.52)	(35.14)	(38.58)	(300.24)

(Figures in brackets relate to previous year)

ii) Consumption of raw materials

₹ in crore		
Particulars	March 31, 2012	March 31, 2011
Coal	442.49	355.23
Iron ore	107.83	35.46
Others	21.84	6.66
Total	572.16	397.35

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

37. CIF VALUE OF IMPORTS AND CONSUMPTION OF STORES AND SPARE PARTS

		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
i) Value of imports on CIF basis in respect of:			
a) Raw materials	697.22	509.70	
b) Components and spare parts	13.92	17.21	
c) Capital goods	27.62	111.17	
ii) Consumption of imported raw materials, stores, spares parts & components 56.75% (Previous year 57.59%)	483.62	369.66	
iii) Consumption of indigenous raw materials, stores, spares parts and components 43.25% (Previous year 42.41%)	368.57	272.27	

38. EXPENDITURE INCURRED IN FOREIGN CURRENCY

		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Testing and analysis expenses	1.86	3.86	
Travelling expenses	0.76	0.47	
Demurrage	65.09	162.45	
Ocean freight	512.00	738.49	
Insurance	3.27	3.35	
Repairs and maintenance - Plant and machinery	4.51	5.25	
Salaries, wages and incentives	10.61	6.17	
China office expenses	1.42	1.44	
Interest expense	84.93	34.52	
Professional and legal charges	64.24	-	
Others	1.53	14.50	

39. EARNINGS IN FOREIGN CURRENCY:

		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Exports of goods on FOB basis	5,121.42	6,258.93	
Despatch	9.31	17.74	
Sale of carbon credits	7.94	4.44	

40. REMITTANCE OF DIVIDENDS IN FOREIGN CURRENCY:

		₹ in crore	
Particulars	March 31, 2012	March 31, 2011	
Number of Non-resident shareholders	3	3	
Number of shares held	479,113,619	479,113,619	
Amount remitted (₹ in crore)			
2011-12 (Interim)	95.82	-	
2010-11	167.69	-	
2009-10	-	155.71	

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

41. DISCLOSURES UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT 2006.

₹ in crore		
Particulars	March 31, 2012	March 31, 2011
Principal amount remaining unpaid to suppliers as at the end of accounting year.	0.28	0.85

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

42. DONATIONS TO POLITICAL PARTIES:

₹ in crore		
Particulars	March 31, 2012	March 31, 2011
Bharatiya Janata Party	1.75	-
Indian National Congress (Goa Pradesh Congress Committee)	2.00	-
Maharashtrawadi Gomantak Party	0.50	-
All India Trinamool Congress	0.15	-
Nationalist Congress Party	0.25	-

43. EMPLOYEE BENEFITS PLANS:

Defined benefit plans:

The Company offers its employees defined benefit plans in the form of gratuity schemes. Gratuity Scheme covers all employees as statutorily required under Payment of Gratuity Act 1972. The Company has three gratuity schemes for different categories of employees. The Company contributes funds to Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited, 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 details of the defined benefit plans are as below:

₹ in crore		
Particulars	March 31, 2012	March 31, 2011
Fair value of plan assets	33.34	28.81
Present value of defined benefit commitment	(41.06)	(34.00)
Net changes in liability recognised in the Balance Sheet	(7.72)	(5.19)
Defined benefit commitment		
Balance at beginning of the year	34.00	25.58
Acquired on amalgamation	-	4.01
Current service cost	2.06	1.73
Benefits paid	(4.20)	(3.15)
Interest cost	2.72	2.37
Actuarial (gains)/losses	6.48	3.46
Balance at end of the year	41.06	34.00

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

₹ in crore		
Particulars	March 31, 2012	March 31, 2011
Changes in fair value of plan assets		
Balance at beginning of the year	28.81	22.45
Acquired on amalgamation	-	3.42
Contribution made	5.97	3.72
Benefits paid	(4.20)	(3.15)
Return on scheme assets	2.54	2.10
Actuarial gains/(losses)	0.22	0.27
Balance at end of the year	33.34	28.81

The Plan assets of the Company are managed by the Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited and the composition of the Investment relating to these assets is not available with the Company.

₹ in crore		
Return on plan assets	March 31, 2012	March 31, 2011
Expected return on plan assets	2.54	2.10
Actuarial gain/(loss)	0.22	0.27
Actual return on plan assets	2.76	2.37

Expenses on defined benefit plan recognised in the Statement of Profit and Loss		
₹ in crore		
Particulars	March 31, 2012	March 31, 2011
Current service cost	2.06	1.73
Actuarial (gains) /losses	6.26	3.19
Expected return on plan assets	(2.54)	(2.10)
Interest cost	2.72	2.37
Direct payments	(0.78)	0.03
Total expenses accounted in the Statement of Profit and Loss	7.72	5.22

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions which if changed, would affect the defined benefit commitment's size, funding requirements.

Return on plan assets	March 31, 2012	March 31, 2011
Rate on discounting liabilities	8%	8%
Expected salary increase rate	5% & 7%	5% & 7%
Expected rate of return on scheme assets	9% & 9.4 %	9% & 9.3 %
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 a long term basis.

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

Experience adjustment					₹ in crore
Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Present value of commitment	(41.06)	(34.00)	(25.58)	(21.84)	(18.18)
Fair value of the plans	33.34	28.81	22.45	17.61	17.00
Surplus / (deficit)	(7.72)	(5.19)	(3.13)	(4.23)	(1.18)
Experience adjustment on plan liabilities	0.79	3.28	0.60	2.88	1.11
Experience adjustment on plan assets	1.03	(1.92)	2.99	(0.04)	1.73

The contributions expected to be made by the Company during the financial year 2012-13 are ₹ 7.72 crores.

The above information is actuarially determined.

Defined contribution plans:

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

A sum of ₹ 9.95 crores (Previous year ₹ 8.31 crores) 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	6.49	5.59	
Annuity fund	3.46	2.72	
	9.95	8.31	

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, there is no interest shortfall that is required to be met by the Company as at March 31, 2011 and March 31, 2012.

44. SEGMENT INFORMATION

As required by Accounting Standard No.17 on Segment Reporting

i) The Company is collectively organised into three main business segments namely:

- Iron ore
- Metallurgical coke
- Pig iron

Segments have been identified and reported taking into account the nature of the product and services, the organisation structure and internal financial reporting system.

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

ii) Information based on the Primary Segment (Business Segment)

Particulars	₹ in crore				
	Iron ore	Metallurgical coke	Pig iron	Unallocated	Total
Revenue					
- Sales / Income from operations	5,677.65	550.51	730.47		6,958.63
(net of duties and ocean freight)	(6,774.57)	(503.81)	(674.02)		(7,952.40)
Less : Intersegment revenue	94.89	350.29	-		445.18
	(104.50)	(354.78)	(0.04)		(459.32)
Net revenue from operations	5,582.76	200.22	730.47		6,513.45
	(6,670.07)	(149.03)	(673.98)		(7,493.08)
Other income	2.53	0.17	0.37		3.07
	(17.54)	(2.70)	(0.17)		(20.41)
Segment revenue	5,585.29	200.39	730.84		6,516.52
	(6,687.61)	(151.73)	(674.15)		(7,513.49)
Add : Interest income				13.09	13.09
				(173.01)	(173.01)
Add : Dividend income				273.17	273.17
				(259.92)	(259.92)
Add : Profit on sale of investment				97.00	97.00
				(61.86)	(61.86)
Enterprise revenue					6,899.78
					(8,008.28)
Segment result before tax, interest, dividend and other non- recurring / unallocable income	2,462.37	15.96	45.44		2,523.77
	(3,747.07)	(89.01)	(141.08)		(3,977.16)
Less: Finance costs				420.00	420.00
				(86.15)	(86.15)
Less: Exceptional item				66.09	66.09
				-	-
Add : Interest income				13.09	13.09
				(173.01)	(173.01)
Add : Dividend income				273.17	273.17
				(259.92)	(259.92)
Add : Profit on sale of investment				97.00	97.00
				(61.86)	(61.86)
Profit before taxation					2,420.94
					(4,385.80)

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

					₹ in crore
Particulars	Iron ore	Metallurgical coke	Pig iron	Unallocated	Total
Segment assets	2,506.95	534.02	321.98	14,475.15	17,838.10
	(2,347.44)	(383.49)	(278.31)	(11,188.54)	(14,197.78)
Segment liabilities	484.37	387.25	51.08	4,002.21	4,924.91
	(768.61)	(357.26)	(52.35)	(1,430.75)	(2,608.97)
Capital expenditure	463.25	3.17	14.99	-	481.41
	(815.15)	(3.79)	(18.35)	-	(837.29)
Depreciation	66.78	8.39	8.68	-	83.85
	(51.68)	(23.15)	(8.30)	-	(83.13)
Significant non-cash expenses other than depreciation	-	-	-	175.72	175.72
	(0.12)	(0.07)	-	(48.78)	(48.97)

(Figures in brackets relate to previous year)

iii) Information based on the Secondary Segment (Geographical Segments):

			₹ in crore
Particulars	March 31, 2012	March 31, 2011	
Segment revenue:			
India	1,387.17	1,250.12	
Outside India	5,129.35	6,263.37	
Segment assets:			
India	3,115.19	2,611.89	
Outside India	247.76	397.35	
Capital expenditure:			
India	481.41	837.29	
Outside India	-	-	

45. RELATED PARTY INFORMATION:

Related party information as required by AS 18 is given below:

A. Names of the related parties and their relationships:

i) Ultimate holding company and its intermediaries

Ultimate Holding company

Vedanta Resources Plc

Intermediaries

Finsider International Company Limited

Twin Star Holdings Limited

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

Westglobe Limited

ii) Subsidiaries

Sesa Resources Limited

Sesa Mining Corporation Limited

Bloom Fountain Limited

Western Cluster Limited

Goa Energy Private Limited (from March 2, 2012)

iii) Associate (and an indirect subsidiary of the ultimate holding company)

Cairn India Limited

iv) Jointly Controlled Entity:

Goa Maritime Private Limited

v) Fellow Subsidiaries:

(With whom transactions have taken place during the year)

Bharat Aluminum Company Limited

Hindustan Zinc Limited

Konkola Copper Mines

Sterlite Industries (India) Limited

Sterlite Iron and Steel Company Limited

Sterlite Technologies Limited

Talwandi Sabo Private Limited

The Madras Aluminum Company Limited

Twin Star Mauritius Holdings Limited

Vedanta Aluminum Limited

Vizag General Berth Cargo Private Limited

vi) Details of Key Management Personnel

Mr. P.K. Mukherjee, Managing Director

Mr. A.K. Rai (Retired on July 31, 2011), Wholetime Director

Mr. A. Pradhan, Wholetime Director

vii) Enterprise in which significant influence is exercised by Key Management Personnel

Sesa Community Development Foundation

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

B Transactions with related parties:

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

₹ in crore				
Name of Related Party	Nature of Transaction	Ultimate holding company / intermediaries	Subsidiaries	Fellow Subsidiaries
1) Sales and Services				
Bharat Aluminium Company Limited	Services rendered	- (-)	- (-)	0.003 (0.001)
Goa Energy Private Limited	Sales of gases	- (-)	0.39 (-)	- (-)
Hindustan Zinc Limited	Sales of metallurgical coke & services rendered	- (-)	- (-)	2.41 (0.74)
Konkola Copper Mines	Services rendered	- (-)	- (-)	0.04 (0.07)
Sesa Mining Corporation Limited	Services rendered	- (-)	0.01 (0.08)	- (-)
Sesa Resources Limited	Sales of ore and services rendered	- (-)	20.25 (33.97)	- (-)
Sterlite Industries (I) Limited	Sale of pig iron and services rendered	- (-)	- (-)	6.50 (7.08)
Sterlite Iron and Steel Company Limited	Interest on Intercompany deposits	- (-)	- (-)	2.99 (0.90)
The Madras Aluminium Company Limited	Services rendered	- (-)	- (-)	0.02 (0.03)
Vedanta Aluminum Limited	Interest on Intercompany deposits and services rendered	- (-)	- (-)	3.64 (90.14)
Vizag General Berth Cargo Private Limited	Services rendered	- (-)	- (-)	0.01 (0.04)

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	Ultimate holding company / intermediaries	Subsidiaries	Fellow Subsidiaries
2) Purchase and Other services				
Bharat Aluminium Company Limited	Administration expenses	- (-)	- (-)	- (0.01)
Finsider International Company Limited	Dividend remittance	220.82 (130.49)	- (-)	- (-)
Goa Energy Private Limited	Purchase of power and other services	- (-)	0.40 (-)	- (-)
Hindustan Zinc Limited	Administration expenses	- (-)	- (-)	0.19 (0.48)
Konkola Copper Mines	Administration expenses	- (-)	- (-)	0.01 (-)
Sesa Mining Corporation Limited	Purchase of ore and other services	- (-)	- (25.21)	- (-)
Sesa Resources Limited	Purchase of ore, fixed assets and other services	- (-)	34.46 (49.92)	(-) (-)
Sterlite Industries (I) Limited	Administration expenses	- (-)	- (-)	4.79 (11.02)
Sterlite Technologies Limited	Administration expenses	- (-)	- (-)	- (0.02)
Talwandi Sabo Power Limited	Administration expenses	- (-)	- (-)	0.01 (-)
The Madras Aluminium Company Limited	Administration expenses	- (-)	- (-)	- (0.003)
Twin Star Holdings Limited	Dividend remittance	18.30 (10.81)	- (-)	- (-)
Twin Star Mauritius Holdings Limited	Advisory fees	- (-)	- (-)	56.43 (-)
Vedanta Aluminum Limited	Administration expenses	- (-)	- (-)	0.42 (2.56)
Vedanta Resources Plc.	Administration expenses	10.61 (5.86)	- (-)	- (-)
West Globe Limited	Dividend remittance	24.39 (14.41)	- (-)	- (-)

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

Name of Related Party	Ultimate holding company / intermediaries	Subsidiaries	₹ in crore Fellow Subsidiaries
3) Inter Corporate Deposits			
Sterlite Iron & Steel Company Limited	- (-)	- (-)	32.88 (26.71)
Vedanta Aluminium Limited	- (-)	- (-)	(1,000.00)
4) Advances given			
Goa Energy Private Limited	- (-)	3.37 (-)	- (-)
5) Investments made			
Bloom Fountain Limited			
In equity shares	- (-)	4.43 (-)	- (-)
In preference shares	- (-)	528.32 (-)	- (-)
Share application pending allotment	- (-)	4.57 (-)	- (-)
Goa Energy Private Limited			
In equity shares	- (-)	14.02 (-)	- (-)
Share application pending allotment	- (-)	33.00 (-)	- (-)
6) Outstanding receivable / (payable)			
Hindustan Zinc Limited	- (-)	- (-)	-0.26 (-)
Goa Energy Private Limited	- (-)	11.93 (-)	- (-)
Konkola Copper Mines	- (-)	- (-)	-0.01 (-)
Sesa Mining Corporation Limited	- (-)	0.01 (-4.06)	- (-)
Sesa Resources Limited	- (-)	4.46 (9.68)	- (-)
Sterlite Industries (I) Limited	- (-)	- (-)	-0.32 (-1.09)
Sterlite Iron and Steel Company Limited	- (-)	- (-)	- (0.90)
Twin Star Mauritius Holdings Limited	-1.56 (-)	- (-)	- (-)
Vedanta Aluminum Limited	- (-)	- (-)	-0.05 (-0.52)
Vedanta Resources Plc.	-17.20 (-7.46)	- (-)	- (-)

(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

b) Details relating to persons referred to in item A (vi) above:

	₹ in crore	
	March 31, 2012	March 31, 2011
Remuneration to Key Management Personnel		
Mr. P. K. Mukherjee	3.78	2.41
Mr. A. K. Rai (Retired on July 31, 2011)	1.89	1.29
Mr. A. Pradhan	1.90	1.00
Mr. H. U. P. K Nair (Retired on October 1, 2009)	-	0.15
	7.57	4.85
Outstanding receivable / (payable)		
Mr. P. K. Mukherjee	(0.91)	(0.74)

c) Details relating to persons referred to in item A (vii) above

	₹ in crore	
	March 31, 2012	March 31, 2011
Particulars		
Donation	5.29	3.29

d) Additional information required as per Clause 32 of the Listing Agreement

	₹ in crore			
Particulars	March 31, 2012		March 31, 2011	
	Outstanding as at March 31, 2012	Maximum amount outstanding during the year	Outstanding as at March 31, 2011	Maximum amount outstanding during the year
Inter-corporate deposits – Dues from fellow subsidiaries				
Vedanta Aluminum Limited	-	1,000.00	1,000.00	1,000.00
Sterlite Iron and Steel Company Limited	32.88	32.88*	27.61	27.61

* Inter-corporate deposits have been placed at an interest rate of 8% p.a. upto May 11, 2011 and 10% p.a. from May 12, 2011 to March 31, 2012.

46. EARNINGS PER SHARE:

	₹ in crore	
Particulars	March 31, 2012	March 31, 2011
Profit after tax (₹ in crore)	1,679.94	3,432.80
Weighted average no. of equity shares	869,101,423	858,713,539
Nominal value of each equity shares	₹ 1	₹ 1
Basic earnings per share (in ₹)	19.33	39.98
Add: Expenses/ (income) to the Statement of Profit and Loss on account of Foreign Currency Convertible Bonds (net of tax)	130.92	59.81
Profit after tax for Diluted Earning per share	1,810.86	3,492.61
Weighted average number of shares for Basic EPS	869,101,423	858,713,539
Add: Effect of potential equity shares on conversion of Foreign Currency Convertible Bonds	30,000,000	30,000,000
Weighted average number of shares for Diluted Earning per share	899,101,423	888,713,539
Diluted earnings per share (in ₹) [restricted to basic EPS since anti dilutive]	19.33	39.30

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

47. 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	1.72	1.60
Additional provision made during the year	-	0.12
Closing carrying amount	1.72	1.72

48. FOREIGN CURRENCY EXPOSURES:

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

- i. Forward exchange contracts outstanding as at March 31, 2012

Currency	Foreign Currency in million	Buy/Sell	₹ in crore
EURO / INR	1.17	Buy	7.83
EURO / USD	1.05	Buy	6.99

- 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, 2012		March 31, 2011	
	₹ in crore	Fx million	₹ in crore	Fx million
Trade receivables and advances to suppliers	247.59	USD 40.23 JPY 1.58 GBP 0.02 Euro 6.07 SGD 0.01	396.93	USD 88.86 JPY 2.07 GBP 0.01
Bank balances	0.05	CNY 0.06 USD 0.00006	0.09	CNY 0.12 USD 0.0014

- 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	445.92	USD 87.16 Euro 0.01	470.39	USD 105.09 JPY 4.23 Euro 0.15
Foreign Currency Convertible Bonds and interest there on	1,135.25	USD 221.92	988.31	USD 221.35
Foreign Currency Loan and interest there on	1,364.28	USD 266.69	-	-

Footnote: Fx = Foreign currency; USD = US Dollar; JPY= Japanese Yen; GBP= Great Britain Pound; CNY= Chinese Yuan; SGD= Singapore Dollar;

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

- 49.** The Company offers equity-based award plans to its employees, officers and directors through its ultimate holding company, Vedanta Resources Plc., the Vedanta Resources Long-Term Incentive Plan (the "LTIP").

The LTIP is the primary arrangement under which share-based incentives are provided to the defined management group. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the balance of basic salary and share-based remuneration consistent with local market practice. The performance condition attaching to outstanding awards under the LTIP is that of Vedanta's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three year period with the performance of the companies as defined in the scheme from the date of grant.

Under this scheme, initial awards under the LTIP were granted in February 2004 and subsequently further awards were granted in the respective years. The awards are indexed to and settled by Vedanta shares. The awards provide for a fixed exercise price denominated in Vedanta's functional currency at 10 US cents per share, the performance period of each award is three years and the same is exercisable within a period of six months from the date of vesting beyond which the option lapses. Under the scheme, Vedanta is obligated to issue the shares. Further, in accordance with the terms of agreement between Vedanta and the Company, on the grant date, fair value of the awards is recovered by Vedanta from the Company.

Amount recovered by Vedanta and recognised by the Company in the Statement of Profit and Loss for the financial year ended March 31, 2012 is ₹ 10.61 crores (Previous year ₹ 5.86 crores). The Company considers these amounts as not material and accordingly has not provided further disclosures.

- 50.** 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

P. K. Mukherjee
Managing Director

Amit Pradhan
Director

S. L. Bajaj
Director-Finance

C. D. Chitnis
Company Secretary

Place: Panaji - Goa
Date: April 24, 2012

Sesa Goa Limited Ten Year Record

Year ending March 31	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Fixed Assets	180.95	187.36	278.78	298.22	392.19	409.03	500.45	549.69	1,264.41	1,673.99
Investments	58.98	66.95	345.96	516.16	867.81	2,000.44	3,019.68	5,478.64	9,463.81	14,420.62
Total Capital Employed	355.55	379.27	734.32	1,084.13	1,506.36	2,791.13	4,517.78	9,124.90	12,556.82	14,022.26
Shareholder's Equity	238.93	315.51	724.25	1,084.13	1,506.36	2,791.13	4,517.78	7,208.71	11,588.81	12,913.19
Sales & Other Income	362.78	573.21	1,423.84	1,734.76	2,049.44	3,672.41	4,996.23	5,069.78	8,008.28	6,899.78
Profit Before Tax	17.99	142.78	687.42	807.08	899.85	2,236.94	2,630.70	2,658.09	4,385.80	2,420.94
Tax for the year	5.40	44.00	225.04	267.68	293.44	744.94	688.21	540.00	953.00	741.00
Profit After Tax	12.58	98.78	462.37	539.40	606.41	1,492.00	1,942.49	2,118.09	3,432.80	1,679.94
Dividends/Dividend Tax	5.55	22.20	100.93	179.53	182.45	207.23	207.23	315.96	376.26	355.56
Retained Earnings	7.03	76.58	361.44	359.87	423.96	1,284.77	1,735.26	1,802.13	3,056.54	1,324.38
Earnings Per Share (in ₹)	6.39	50.19	117.47	137.04	154.06	379.06	24.68*	26.11*	39.98*	19.33*
Dividends %	25.00	100.00	225.00	400.00	400.00	450.00	225.00	325.00	350.00	400.00
No. of Shareholders	30,460	29,948	61,313	43,418	43,032	90,875	170,222	213,086	267,412	268,981

Notes:

- Figures for the previous years have been regrouped wherever necessary to make them comparable to those of the current year. Current years figures are subject to approval of shareholders at the Annual General Meeting including dividend proposed.
- Number of shareholders shown is as on the date of Annual General Meeting of the relevant year except for the year 2012.
- The dividend % for year ending March 31, 2005 is the effective rate on post bonus share capital (Bonus Issue @ 1:1 after interim dividend paid @ 50%).
- During the financial year 2008-09, shares were sub-divided from face value of ₹ 10 to face value of ₹ 1 and bonus shares in ratio of 1:1 were issued. The dividend for 2008-09, 2009-10, 2010-11 and 2011-12 are post split and bonus.
- *EPS on nominal value of ₹ 1.

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

Sr. No.	Particulars	Sesa Resources Limited	Sesa Mining Corporation Limited	Bloom Fountain Limited	Western Cluster Limited	Goa Energy Private Limited
1.	Financial years of the Subsidiary Company ended on	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012
2.	Shares of the Subsidiary Company held on the above date and extent of holding	(Refer Note 2)		(Refer Note 3)		
	a) Equity Shares	1,250,000	1,150,000	1,000,001	100	10,000
	b) Extent of Holding	100%	100%	100%	51%	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	390.50	37.89	(0.85)	Nil	0.30
	b) For the previous financial years of the Subsidiary/since it became the Holding company's subsidiary	1,196.17	25.44	Nil	Nil	Nil
	ii) Dealt within the holding company's accounts					
	a) For the financial year of the Subsidiary	187.50	Nil	Nil	Nil	Nil
	b) For the previous financial years of the Subsidiary/since it became the Holding company's subsidiary	Nil	Nil	Nil	Nil	Nil
4.	Material changes, if any between the end of the financial year of the subsidiary company and that of the Holding Company	NA	NA	NA	NA	NA
5.	Additional information on Subsidiary Companies	(Refer Note 4)				
	Share Capital	1.25	11.50	9.71	-	0.01
	Share Application Money Pending Allotment	-	-	4.57	-	33.00
	Reserves	1,630.06	150.63	541.45	-	(8.19)
	Total Assets	2,060.04	235.44	555.99	141.95	88.28
	Total Liabilities	2,060.04	235.44	555.99	141.95	88.28
	Investment(except incase of investment in subsidiaries)	1,455.81	-	-	-	-
	Turnover	1,837.90	236.29	-	-	2.21
	Profit before Taxation	840.01	56.08	(0.85)	-	0.48
	Provision for Taxation	262.01	18.19	-	-	0.18
	Profit after Taxation and write back	578.00	37.89	(0.85)	-	0.30
	Interim/Proposed final Dividend (including Dividend Distribution Tax thereon)	363.92	-	-	-	-

Notes:

- Your Company has five subsidiary companies as on March 31, 2012.
- Sesa Mining Corporation Limited is a subsidiary of Sesa Resources Limited, which is 100% subsidiary of the Company.
- Western Cluster Limited is a subsidiary of Bloom Fountain Limited, which is 100% subsidiary of the Company.
- The figures of Goa Energy Private Limited are for the period from March 2, 2012 to March 31, 2012.
- The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.
- The Annual Accounts for 2011-12 for all subsidiaries are available at Company's Registered Office. Any investor either of Holding Company or any Subsidiary Company can seek any information at any point of time by making a request in writing to the Company Secretary of the Company at Sesa Goa Limited, Sesa Ghor, 20 EDC Complex, Patto, Panaji-Goa 403 001 to obtain a copy of the financial statements of the subsidiary companies. The Subsidiaries Accounts will also be available on the Website of the Company www.sesagoa.com.
- The consolidated financial statements in terms of Clause 32 of the Listing Agreement and in terms of Accounting Standards 21 as prescribed by Companies (Accounting Standards) Rules, 2006 issued by Ministry of Corporate Affairs vide notification no. G.S.R. 739 (E) dated December 7, 2006 also form part of this Annual Report.

Auditors' Report

To the Board of Directors of Sesa Goa Limited

1. We have audited the attached Consolidated Balance Sheet of SESA GOA LIMITED ("the Company"), its subsidiaries (the Company and its subsidiaries constitute "the Group") as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in an associate accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the 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 the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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. The Consolidated Financial Statements, reflect total assets of ₹ 644.75 crores as at March 31, 2012, total revenues of ₹ 2.26 crores and net cash inflows amounting to ₹ 10.11 crores for the year ended March 31, 2012, in respect of three subsidiaries, Bloom Fountain Limited, Western Cluster Limited and Goa Energy Private Limited, whose financial statements have been audited by other auditors and their reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.
4. The Consolidated Financial Statements, also reflect the Group's share of profit of ₹ 587.73 crores in respect of the consolidated profits of an associate, Cairn India Limited, for the period December 8, 2011 (being the date after the date of that entity becoming an associate) to March 31, 2012, whose financial statements for the period from January 1, 2012 to March 31, 2012 have been audited by other auditors and adjusted for significant transactions of that associate for the period from December 8, 2011 to December 31, 2011, as made by the management. Our opinion in so far as it relates to the amounts included in respect of this associate is based solely on the report of the other auditors furnished to us and the adjustments made by the management as aforesaid.
5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.

6. Based on our audit and on consideration of the separate auditors' reports on individual financial statements of the Company and its aforesaid subsidiaries and the associate, and to the best of our information and according to the explanations given to us, in our opinion, read with our comments in paragraph 4 above, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
 - (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Place: Panaji - Goa
Date: April 24, 2012

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

Rajesh K Hiranandani
Partner
(Membership No. 36920)

Consolidated 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	86.91	86.91
Reserves and surplus	4	15,031.30	12,723.52
		15,118.21	12,810.43
Non-current liabilities			
Long-term borrowings	5	1,116.23	980.51
Deferred tax liabilities (Net)	6	104.58	68.20
Other long-term liabilities	7	2.74	77.60
Long-term provisions	8	12.49	10.01
		1,236.04	1,136.32
Current liabilities			
Short-term borrowings	9	2,617.95	3.31
Trade payables	10	886.77	984.36
Other current liabilities	11	317.90	243.73
Short-term provisions	12	224.26	419.22
		4,046.88	1,650.62
		20,401.13	15,597.37
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	13	1,390.14	924.25
Intangible assets	13	1,916.94	1,491.40
Capital work-in-progress	13	837.20	543.60
Non-current investments	14	13,662.62	0.05
Long-term loans and advances	15	156.61	195.83
		17,963.51	3,155.13
Current assets			
Current investments	16	503.96	8,799.74
Inventories	17	875.15	737.41
Trade receivables	18	549.43	683.01
Cash and cash equivalents	19	97.74	897.03
Short-term loans and advances	20	411.26	1,310.91
Other current assets	21	0.08	14.14
		2,437.62	12,442.24
		20,401.13	15,597.37
See accompanying notes forming part of the consolidated financial statements	1 - 44		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh K Hiranandani
Partner

Place: Panaji - Goa
Date: April 24, 2012

For and on behalf of the Board of Directors

P. K. Mukherjee
Managing Director

S. L. Bajaj
Director-Finance

Place: Panaji - Goa
Date: April 24, 2012

Amit Pradhan
Director

C. D. Chitnis
Company Secretary

Consolidated 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		9,056.93	10,200.12
Less: Excise duty		78.89	63.65
		8,978.04	10,136.47
Less: Ocean freight		667.98	943.14
Net revenue from operations	22	8,310.06	9,193.33
Other income	23	234.58	551.70
		8,544.64	9,745.03
EXPENSES			
Cost of materials consumed		571.96	396.15
Purchase of stock-in-trade		367.01	509.12
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	34.44	(47.45)
Employee benefits expense	25	268.43	207.56
Finance costs	26	433.26	87.18
Depreciation and amortisation expense		106.14	96.38
Other expenses	27	3,568.16	2,936.40
		5,349.40	4,185.34
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		3,195.24	5,559.69
Exceptional item	30	66.09	-
PROFIT BEFORE TAX		3,129.15	5,559.69
Less: Tax expense			
Current tax		989.91	1,344.22
Deferred tax		31.46	(6.81)
Prior year tax		0.01	(0.17)
		1,021.38	1,337.24
PROFIT AFTER TAX		2,107.77	4,222.45
Share of profit in respect of investment in an associate company		587.73	-
PROFIT FOR THE YEAR		2,695.50	4,222.45
Earnings per equity share of ₹ 1 each	39		
Basic		31.01	49.17
Diluted		31.01	48.17
See accompanying notes forming part of the consolidated financial statements	1 - 44		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh K Hiranandani
Partner

Place: Panaji - Goa
Date: April 24, 2012

For and on behalf of the Board of Directors

P. K. Mukherjee
Managing Director

S. L. Bajaj
Director-Finance

Place: Panaji - Goa
Date: April 24, 2012

Amit Pradhan
Director

C. D. Chitnis
Company Secretary

Consolidated 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	3,129.15	5,559.69
Adjustments for:		
Depreciation and amortisation	106.14	96.38
Provision for doubtful trade receivables	-	0.07
Finance costs	241.42	36.22
Interest income	(13.39)	(173.36)
Dividend income	(110.50)	(297.05)
Profit on sale of fixed assets (net)	(0.90)	(0.86)
Profit on sale of current investments (net)	(107.44)	(62.16)
Provision for doubtful advances	-	0.12
Net unrealised exchange loss/(gain)	195.84	44.01
Operating profit before working capital changes	3,440.32	5,203.06
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(137.64)	(230.25)
Trade receivables	139.88	(299.19)
Short-term loans and advances	(51.96)	(151.16)
Long-term loans and advances	(0.04)	(8.12)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(104.89)	194.42
Other current liabilities	77.40	190.86
Other long-term liabilities	(74.86)	2.55
Short-term provisions	6.53	0.07
Long-term provisions	2.43	6.11
	(143.15)	(294.71)
Cash generated from operations	3,297.17	4,908.35
Taxes paid	(1,082.08)	(1,367.76)
Net cash flow from / (used in) operating activities (A)	2,215.09	3,540.59
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(738.62)	(988.69)
Proceeds from sale of fixed assets	2.13	4.55
(Purchase) / redemption of current investments	8,403.22	(4,130.86)
Purchase of long term investments		
Subsidiaries	(458.22)	-
Associates	(13,074.84)	-
Inter corporate deposits refunded	1,000.00	-
Inter corporate deposits placed	(6.17)	(26.71)
Proceeds on maturity of fixed deposits	10.12	2,342.41
Interest received	27.45	198.82
Dividend received	110.50	297.05
Net cash flow from / (used in) investing activities (B)	(4,724.43)	(2,303.43)

Consolidated 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:		
Long term borrowings	(56.84)	(6.63)
Short term borrowings (net)	2,577.60	(6.30)
Interest paid	(236.63)	(59.05)
Dividend and taxes paid thereon	(558.49)	(328.14)
Net cash flow from / (used in) financing activities (C)	1,725.64	(400.12)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(783.70)	837.04
Cash and cash equivalents at the beginning of the year	870.73	33.69
Add: on acquisition	0.01	-
Cash and cash equivalents at the end of the year	87.04	870.73
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	97.74	897.03
Less: Deposit with bank	(1.19)	(11.31)
Less: Unpaid dividend account	(9.51)	(14.99)
Cash and cash equivalents at the end of the year *	87.04	870.73
* comprises:		
Cash on hand	0.08	0.12
Cheques, drafts on hand	6.27	7.29
Balances with banks		
In current accounts	80.69	175.27
In deposit accounts with original maturity less than 3 months	-	688.00
In EEFC account	-	0.05
	87.04	870.73
Figures in brackets represent outflows		
See accompanying notes forming part of the consolidated financial statements (1-44)		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Rajesh K Hiranandani
Partner

Place: Panaji - Goa
Date: April 24, 2012

For and on behalf of the Board of Directors

P. K. Mukherjee
Managing Director

S. L. Bajaj
Director-Finance

Place: Panaji - Goa
Date: April 24, 2012

Amit Pradhan
Director

C. D. Chitnis
Company Secretary

Notes forming part of the consolidated financial statements

as at and for the year ended March 31, 2012

1. CORPORATE INFORMATION

Sesa Goa Limited ("Sesa" / "the Group") is India's largest producer and exporter of iron ore in the private sector. The Group is a majority owned and controlled subsidiary of Vedanta Resources plc, the London listed FTSE 100 diversified metals and mining major. For more than five decades, Sesa has been involved in iron ore exploration, mining, beneficiation and exports. Sesa has iron ore mining operations in Goa and Karnataka. It has recently acquired 51% stake in Western Cluster Limited, a Liberia based company engaged in developing the Western Cluster Iron Ore Deposits into a large integrated iron ore project. Sesa is also into manufacturing pig iron and metallurgical coke. The Group has also recently acquired 100% stake in the equity share capital of Goa Energy Private Limited ("GEPL"). GEPL owns a 30 MW power plant in Goa which utilises the waste heat gases from Sesa's coke making and pig iron facilities.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of Sesa Goa Limited (the "Parent"), its subsidiary companies, the jointly controlled entity (the "Group") and the associate 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) Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Parent and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.
- b) Interest in the jointly controlled entity is reported using proportionate consolidation.
- c) The financial statements of the subsidiary companies and the jointly controlled entity are prepared for the same reporting year as the Company, using consistent accounting policies to the extent practicable. Adjustments are made to align any dissimilar accounting policies that may exist where practicable.
- d) The difference between cost of investments in the subsidiary companies over the net assets at the time of acquisition of shares in the subsidiary companies is recognised in the financial statements as Goodwill, and tested for impairment, or Capital reserve, as the case may be.
- e) The consolidated financial statements include the share of profit of the associate company accounted using the 'equity method', and accordingly, the share of the profit of the associate company has been added to the cost of investments. The difference between cost of investments in the associate company and the share of net assets at the time of acquisition of the shares in the associate company is identified in the financial statements as Goodwill or Capital reserve as the case may be. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor.

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

- f) Particulars of subsidiary companies, the jointly controlled entity and associate are given below:

Name of company	Country of Incorporation	% of voting power held on March 31, 2012	% of voting power held on March 31, 2011
Subsidiaries			
Sesa Resources Limited ("SRL")	India	100%	100%
Goa Energy Private Limited ("GEPL") [w.e.f. March 2, 2012]	India	100%	-
Bloom Fountain Limited ("BFL") [w.e.f. July 11, 2011]	Mauritius	100%	-
Step down subsidiaries			
Sesa Mining Corporation Limited ("SMCL")	India	100%	100%
Western Cluster Limited ("WCL") [w.e.f. July 25, 2011]	Liberia	51%	-
Jointly controlled entity			
Goa Maritime Private Limited ("GMPL")	India	50%	50%
Associate			
Cairn India Limited ("CIL") [w.e.f. December 8, 2011]	India	20%	-

The assets, liabilities, income and expenses of GMPL are not material to the financial statements of the Group taken as a whole. Therefore, information in that respect required by the Accounting Standard (AS 27) on Financial Reporting of Interests in Joint Ventures has not been furnished, and also the share of profits / losses of GMPL are not consolidated.

- g) For the purposes of consolidation of foreign subsidiaries, income and expenses are translated at the average exchange rates for the year and the assets and liabilities at exchange rate prevailing at the balance sheet date. The net impact of such change is accumulated under foreign currency translation reserve.

iv) Inventories

Inventories are valued at lower of cost (on weighted average basis, except for GEPL which is on FIFO 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.

v) 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 Group are segregated based on the available information.

vi) 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 it in line with the useful life of the assets.
- Railway wagons procured under Wagon Investment Scheme (WIS) are depreciated at the rate of 10% per annum on SLM basis.
- Mining leases in proportion to actual quantity of ore extracted therefrom.
- Amounts paid for renewal of forest clearances of owned mining leases over the operating period of lease.
- 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.

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

Intangible assets are amortised over their estimated useful life. Expenses on implementation of Enterprise Resource Planning - SAP are amortised over thirty six months.

vii) 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 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 tax/value added tax and adjustments arising on analysis variances.

Revenue from power supply is accounted on the basis of billing to customers and includes unbilled revenue accrued upto the end of the financial year.

Income from services

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

viii) Tangible fixed assets

Fixed assets, except for the leasehold mine at Karnataka, are carried at historical cost (net 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 and attributable borrowing and financing costs incurred upto the date the asset is ready for its intended use.

The iron ore reserves of the leased mine located in Karnataka were valued and shown as fixed assets by erstwhile A. Narrain Mines Ltd. (ANML). The Group continues to show the value of the said mining lease as fixed assets after merger of the said ANML. The Group's other mining leases having ore reserves, however, are not valued. Amounts paid to government authorities towards renewal of forest clearances in respect of owned mining leases are capitalized as a part of mining leases.

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.

ix) 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.

x) 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 difference arising on restatement or settlement is charged to the Statement of Profit and Loss.

xi) Foreign currency forward contracts

The Group enters into forward derivative financial instruments to hedge its exposure to foreign currency. The Group does not hold derivative financial instruments for speculative purposes. Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet dates.

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in Reserves and Surplus. Amounts deferred to Reserves and Surplus are recycled in the Statement of Profit and Loss in the period when the hedged item is recognised in the Statement of Profit and Loss.

Derivative financial instruments that do not qualify for hedge accounting are marked to market at the balance sheet date and gains or losses are recognised in the Statement of Profit and Loss immediately.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in Reserves and Surplus is kept in reserves and surplus until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Reserves and Surplus is transferred to the Statement of Profit and Loss for the year.

xii) Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Group 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.

xiii) 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.

xiv) 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 Group'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 Group and contributed to the Fund. The net actuarial liability of the Group'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.

Annuity fund:

The Group 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 Group recognises such contributions as an expense over the period of services rendered.

Defined benefit plans:

Gratuity Fund:

The Group 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 Group 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

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

Statement of Profit and Loss.

xv) 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".

xvi) Segment reporting

The Group is in the business of mining and sale of iron ore, manufacture and sale of metallurgical coke and pig iron and generation and distribution of power. All of the Group's establishments are located in one country i.e. India. The revenues from other than sale of iron ore, metallurgical coke, pig iron and generation and distribution of power are either incidental to the above four businesses or of non-recurring nature. Therefore the Group operates in four business segments.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis, have been included under "Unallocated revenue / expenses / assets / liabilities".

xvii) Taxes on income

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

xviii) Impairment of assets

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

xix) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group 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 consolidated financial statements (contd.)

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 ₹ 1 each with voting rights	1,000,000,000	100.00	1,000,000,000	100.00
Issued, subscribed and fully paid-up				
Equity shares of ₹ 1 each with voting rights, fully paid up	869,101,423	86.91	869,101,423	86.91
Total	869,101,423	86.91	869,101,423	86.91

a. Reconciliation of equity shares and amounts outstanding

Particulars	March 31, 2012		March 31, 2011	
	Number of Shares	₹ in crore	Number of Shares	₹ in crore
At the beginning of the year	869,101,423	86.91	830,961,802	83.10
Conversion of Foreign Currency Convertible Bonds	-	-	28,740,757	2.87
Pursuant to a scheme of amalgamation	-	-	9,398,864	0.94
At the end of the year	869,101,423	86.91	869,101,423	86.91

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1. The equity shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 1956.

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

Particulars	March 31, 2012		March 31, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Finsider International Company Limited	401,496,480	46.20	401,496,480	46.20
West Globe Limited	44,343,139	5.10	44,343,139	5.10
Twinstar Holdings Limited	33,274,000	3.83	33,274,000	3.83

All the above entities are subsidiaries of Vedanta Resources Plc. Accordingly, Vedanta Resources Plc. is the ultimate holding company.

d. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date.

Particulars	March 31, 2012	March 31, 2011
Equity shares allotted as fully paid-up shares for consideration other than cash pursuant to a scheme of amalgamation	9,398,864	9,398,864
Equity shares allotted as fully paid-up bonus shares pursuant to capitalisation of reserves and securities premium account.	393,620,200	393,620,200

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

e. Details of shareholders holding more than 5% shares in the Company other than as shown in (c) above.

Name of Shareholder	March 31, 2012		March 31, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Franklin Templeton Investment Funds	85,073,669	9.79	85,969,443	9.89

f. Terms of securities convertible into equity shares

For shares to be issued on conversion of Foreign Currency Convertible Bonds, refer note 5

4. RESERVES AND SURPLUS

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Capital reserve		
Balance as at the beginning and end of the year	0.25	0.25
Securities premium account		
Balance as at the beginning of the year	1,869.42	875.34
Add: Amount received upon conversion of Foreign Currency Convertible Bonds into equity shares.	-	994.08
Balance as at the end of the year	1,869.42	1,869.42
Capital reserve on consolidation		
Balance as at the beginning of the year	9.87	-
Add: Arising on acquisition of minority interest consequent to amalgamation of Sesa Industries Limited with the Parent	-	9.87
Balance as at the end of the year	9.87	9.87
Foreign Currency Translation Reserve		
Balance as at the beginning of the year	-	-
Add: On consolidation of foreign subsidiaries acquired during the year	19.26	-
Balance as at the end of the year	19.26	-
General reserve		
Balance as at the beginning of the year	8,492.32	5,992.32
Add: Transferred from surplus balance in the Statement of Profit and Loss	575.00	2,500.00
Balance as at the end of the year	9,067.32	8,492.32

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

4. RESERVES AND SURPLUS (CONTD.)		₹ in crore
Particulars	March 31, 2012	March 31, 2011
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	2,351.66	966.70
Add: Profit for the year	2,695.50	4,222.45
Add: Arising on amalgamation with Sesa Industries Limited	-	38.77
	5,047.16	5,227.92
Less:		
Interim dividend	(173.82)	-
Proposed final dividend	(173.82)	(304.18)
Dividend in respect of Foreign Currency Convertible Bonds converted	-	(9.85)
Dividend to shareholders of erstwhile Sesa Industries Limited on amalgamation	-	(12.88)
Tax on dividends	(59.34)	(49.35)
Transfer to general reserve	(575.00)	(2,500.00)
Balance as at the end of the year	4,065.18	2,351.66
Total	15,031.30	12,723.52

5. LONG-TERM BORROWINGS		₹ in crore
Particulars	March 31, 2012	March 31, 2011
Secured		
Term loans		
From banks (Refer note a)	7.16	12.50
(Secured by a charge on vessel M.V. Goan Pride)		
Unsecured		
Foreign currency convertible bonds (Refer note b)	1,109.07	968.01
Total	1,116.23	980.51

a. Terms of loan from banks:

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 USD 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.

b. Terms of Foreign currency convertible bonds:

During the year ended March 31, 2010, the Company had issued 5,000 Foreign Currency Convertible Bonds ("FCCBs") aggregating US\$ 500 million at a coupon rate of 5% (net to bondholder).

The bondholders have an option to convert these FCCBs into shares, at a conversion price of ₹ 346.88 per share and at a fixed rate of exchange on conversion of ₹ 48.00 per U.S. \$ 1.00 at any time on or after December 9, 2009. The conversion price is subject to adjustment in certain circumstances. The FCCBs may be redeemed in whole, but not in part, on or after October 30, 2012, subject to certain conditions. Unless previously converted, redeemed or repurchased and cancelled, the FCCBs fall due for redemption on October 31, 2014 at par.

Upto March 31, 2012, 2,832 FCCB's have been converted into 39,188,159 equity shares.

A part of the proceeds aggregating ₹ 1,040.86 crores (March 31, 2011 ₹ 775.28 crores) has been utilised for the Company's capital projects.

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

6. DEFERRED TAX LIABILITIES (NET)		₹ in crore
Particulars	March 31, 2012	March 31, 2011
Deferred tax liabilities:		
Depreciation allowance	119.89	81.09
	119.89	81.09
Deferred tax assets:		
Compensated absences	9.45	6.10
Provision for doubtful debts	-	0.86
Disallowances u/s 43B of the Income Tax Act, 1961	5.86	5.93
	15.31	12.89
Deferred tax liabilities (Net)	104.58	68.20

7. OTHER LONG-TERM LIABILITIES		₹ in crore
Particulars	March 31, 2012	March 31, 2011
Security deposits received	2.74	2.60
Amount withheld on acquisition of subsidiary as per share purchase agreement	-	75.00
Total	2.74	77.60

8. LONG TERM PROVISIONS		₹ in crore
Particulars	March 31, 2012	March 31, 2011
Provision for employee benefits		
Gratuity	0.06	-
Compensated absence	8.97	6.55
Provision - Others		
Provision for mine closure	3.46	3.46
Total	12.49	10.01

9. SHORT TERM BORROWINGS		₹ in crore
Particulars	March 31, 2012	March 31, 2011
Secured:		
Loans repayable on demand from banks		
Cash credit	1.50	3.31
(Secured against hypothecation of finished goods, consumables, stores, book debts and lodgement of letters of credit)		
	1.50	3.31
Unsecured:		
Other loans and advances		
Packing credit in foreign currencies from banks	1,407.29	-
Commercial paper [Maximum balance outstanding during the year ₹ 2,469.75 crores (Previous year ₹ Nil)]	1,125.49	-
Buyers' credit	83.67	-
	2,616.45	-
Total	2,617.95	3.31

Notes forming part of the consolidated 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	0.28	0.85
Others	886.49	983.51
Total	886.77	984.36
Trade payable others include:		
Accrued payroll	25.78	28.05
Accrued expenses	262.09	386.52

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
(Secured by a charge on vessel M.V. Goan Pride)		
From others	-	9.38
(Secured by future export proceeds)		
Interest accrued but not due on borrowings	27.71	22.69
Unpaid dividends	9.51	14.99
Unpaid matured deposits and interest accrued thereon	0.06	0.06
Other payables		
Statutory deductions including withholding taxes	34.89	30.78
Payables on account of fixed assets	60.39	59.90
Trade and security deposits received	24.80	17.76
Advances from customers	14.35	22.92
Other deductions	2.32	1.88
Amount withheld on acquisition of subsidiary as per share purchase agreement	126.64	51.91
Gratuity	9.42	5.19
Other liabilities	0.65	0.02
Total	317.90	243.73

12. SHORT TERM PROVISIONS

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Provision for employee benefits		
Compensated absence	21.16	15.71
Provident fund	1.08	-
Provision - Others		
Provision for income tax (net of advances)	-	49.98
Proposed final dividend	173.82	304.18
Tax on proposed final dividend	28.20	49.35
Total	224.26	419.22

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

Particulars	Gross block				Depreciation / Amortisation			Net block	
	Balance as at April 1, 2011	Acquired on acquisition	Additions	Disposals	Balance as at March 31, 2012	Balance as at April 1, 2011	For the year ended March 31, 2012	Eliminated on disposal of assets	As at March 31, 2012
Tangible assets									
Mining leases	16.60	-	-	-	16.60	12.10	0.95	-	3.55
Mining concessions	0.68	-	-	-	0.68	0.65	-	-	0.03
Land plots (Note a)	184.65	0.46	53.80	-	238.91	0.08	0.05	-	238.78
Leasehold land	-	0.39	-	-	0.39	-	0.14	-	0.25
Road and bunders	10.07	-	1.33	-	11.40	2.21	0.17	-	9.02
Buildings	71.22	9.29	20.18	0.08	100.61	16.16	1.47	0.04	81.02
Plant and equipment	999.43	95.52	310.09	14.02	1,391.02	475.05	23.51	13.28	563.56
Furniture and fixtures	8.00	0.09	1.78	0.06	9.81	3.28	0.03	0.05	5.69
Vehicles	20.01	0.13	4.47	2.52	22.09	10.58	0.05	2.20	10.55
Office equipment	10.82	0.19	2.31	0.06	13.26	2.64	0.10	0.02	3.37
Aircraft (Note b)	1.46	-	-	-	1.46	0.46	-	-	0.92
River fleet	76.52	-	89.00	0.15	165.37	23.35	-	0.07	138.47
Ship - Jointly owned (Note c)	63.97	-	-	-	63.97	32.50	-	-	28.27
Ship	97.58	-	1.32	-	98.90	57.70	-	-	36.24
Previous year	1,561.01	106.07	484.28	16.89	2,134.47	636.76	25.30	15.66	1,390.14
Intangible assets									
Goodwill on consolidation	1,474.54	433.70	-	-	1,908.24	1.15	-	-	1,907.09
Mining rights	12.10	-	-	-	12.10	9.09	-	-	0.31
Computer software	17.18	0.19	-	-	17.37	2.18	0.14	-	9.54
Previous year	1,503.82	433.89	-	-	1,937.71	12.42	0.14	-	1,916.94
Capital work-in-progress (Note d)	1,487.46	-	16.36	-	1,503.82	8.65	-	-	837.20
Total									

Notes:

- a. Land plots include under perpetual lease ₹ 3.54 crores (Previous year ₹ 3.54 crores)
- b. Aircraft represents 50% undivided interest in a P68C aircraft.
- c. Represents 50% undivided interest in a Transhipper Vessel named "Goan Pride "
- d. Amount includes ₹ 14.71 crores interest capitalised during the year (Previous year ₹ 4.55 crores).

Notes forming part of the consolidated 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
Other than trade investments (at cost)		
Investment in equity instruments (quoted)		
In an associate company		
Cairn India Limited (Note a)	13,662.57	-
383,840,413 (Previous Year Nil) equity shares of ₹ 10 each fully paid-up		
In other companies		
Goa Shipyard Limited	0.03	0.03
62,707 (Previous year 62,707) equity shares of ₹ 10 each fully paid-up (including 34,837 bonus shares)		
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		
Sesa Ghor Premises Holders' Maintenance Society Limited	-	-
400 (Previous year 400) equity shares of ₹ 10 each fully paid-up [₹ 4,000 (Previous year ₹ 4,000)]		
Sesa Goa Sirsaim Employees' Consumers Co-operative Society Limited	-	-
200 (Previous year 200) equity shares of ₹ 10 each fully paid-up [₹ 2,000 (Previous year ₹ 2,000)]		
Sesa Goa Sanquelim Employees' Consumers Co-operative Society Limited	-	-
230 (Previous year 230) equity shares of ₹ 10 each fully paid-up [₹ 2,300 (Previous year ₹ 2,300)]		
Sesa Goa Sonshi Employees' Consumers Co-operative Society Limited	-	-
468 (Previous year 468) equity shares of ₹ 10 each fully paid-up [₹ 4,680 (Previous year ₹ 4,680)]		
Sesa Goa Codli Employees' Consumers Co-operative Society Limited	-	-
450 (Previous year 450) equity shares of ₹ 10 each fully paid-up [₹ 4,500 (Previous year ₹ 4,500)]		
Sesa Goa Shipyard Employees' Consumers Co-operative Society Limited	-	-
500 (Previous year 500) equity shares of ₹ 10 each fully paid-up [₹ 5,000 (Previous year ₹ 5,000)]		
The Mapusa Urban Cooperative Bank Limited	-	-
40 (Previous year 40) equity shares of ₹ 25 each fully paid-up [₹ 1,000 (Previous year ₹ 1,000)]		

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

14. NON CURRENT INVESTMENTS (CONTD.)

₹ in crore

Particulars	March 31, 2012	March 31, 2011
V.S.Dempo Surla Mine Staff Cooperative Credit Society Limited 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 250 (Previous year 250) equity shares of ₹ 10 each fully paid-up [₹ 2,500 (Previous year ₹ 2,500)]	-	-
Dempo Mining Corporation Staff Consumers Co-operative Society Limited 276 (Previous year 276) equity share of ₹ 10 each fully paid-up [₹ 2,760 (Previous year ₹ 2,760)]	-	-
Dempo Mining Corporation Employees Co-operative Credit Society Limited 400 (Previous year 400) equity share of ₹ 10 each fully paid-up [₹ 4,000 (Previous year ₹ 4,000)]	-	-
	13,662.62	0.05
Less : Provision for diminution in value of Investments [₹ 5,000 (Previous year ₹ 5,000)]	-	-
Total	13,662.62	0.05
Aggregate amount of quoted investments [Market value of ₹ 12,816.43 crores (Previous year ₹ Nil)]	13,662.57	-
Aggregate amount of unquoted investments	0.05	0.05
a. Particulars of Investment in an associate company		
Ownership Interest	20%	-
Original cost of investment	13,074.84	-
Cost of Goodwill in Original Cost	3,982.55	-
Share of post acquisition Reserves and Surplus	587.73	-
Carrying amount of investment	13,662.57	-

15. LONG TERM LOANS AND ADVANCES

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Unsecured, considered good		
Capital advances	145.80	185.06
Security deposits	1.14	1.06
Loans and advances to related parties	0.20	0.39
Loans and advances to employees	0.22	0.30
Prepaid expenses	9.25	4.93
Other advances	-	4.09
Total	156.61	195.83

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

16. CURRENT INVESTMENTS

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Unquoted (at lower of cost and fair value)		
In mutual funds		
Birla Short Term FMP Series 4 - Dividend Payout	-	125.00
Birla Short Term Opportunity Fund - Dividend Payout	-	509.90
Birla Sun Life Cash Plus - Institutional - Daily Dividend Reinvestment	6.17	40.11
Birla Sun Life Cash Plus Instl Prem DD	73.90	-
Birla Sun Life Ultra Short Term Fund - Institutional - Growth	-	340.09
Birla Sun Life Fixed Term Plan - Series CD (370 Days) - Growth Option	-	50.00
Canara Robeco Floating Rate Short Term - Growth	-	88.04
Canara Robeco Liquid - Super Institutional - Daily Dividend Reinvestment	30.02	-
Canara Robeco Treasury Advantage Super Institutional Fund - Dividend	-	40.00
Canara Robeco Treasury Advantage Super Institutional Fund - Growth Option	-	396.27
DSP BlackRock FMP - 3M Series 27 - Dividend	-	100.00
DSP BlackRock Money Manager Fund - Institutional - Growth	-	202.72
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Growth	-	41.55
HDFC Floating Rate Income Fund - Short Term Plan - Whole - Growth	-	120.33
HDFC FMP 370 Days 2010 (2) - Dividend Payout	-	35.00
HDFC FMP 370 Days June 2010 (1) - Growth	-	25.00
HDFC FMP 370 Days June 2010 (2) - Dividend Payout	-	35.00
HDFC Liquid Fund Premium Plan - Dividend - Daily Reinvest	13.21	-
ICICI Prudential Floating Rate - Plan D - Growth	-	172.12
ICICI Prudential FMP Series 51 - 1 Year Plan B - Growth	-	20.00
ICICI Prudential MF - Flexible Income Plan - Institutional - Daily Dividend	-	150.02
ICICI Prudential - Flexible Income Plan Premium - Growth	-	64.56
ICICI Prudential Liquid Plan - Super Institutional - Daily Dividend	35.25	-
ICICI Prudential Banking and PSU Debt Fund - Daily Dividend	-	238.19
ICICI Prudential Blended Plan B - Institutional Plan - Dividend Reinvested	-	788.55
ICICI Prudential Blended Plan B - Institutional Plan - Dividend Payout	-	100.01
ICICI Prudential Interval Fund II - Quarterly Interval Plan - Institutional - Dividend	-	50.00

Notes forming part of the consolidated 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
ICICI Prudential Interval V Monthly Interval Plan Dividend Payout	-	52.00
ICICI Prudential Liquid Plan Super Institutional Plan Daily Dividend	8.16	-
ICICI Prudential FMP Series 52 - 1 Year Plan A - Growth Option	-	20.00
IDFC Cash Fund - Super Institutional Plan C - Daily Dividend	1.21	-
IDFC Fixed Maturity Monthly Series - 30 - Dividend	-	275.00
IDFC Money Manager Fund - Institutional Plan B - Growth Option	-	200.00
IDFC Savings Advantage Fund - Plan A - Daily Dividend	-	401.95
IDFC Cash Fund Daily Dividend	45.53	-
Kotak FMP 370 Days Series 3 - Growth	-	50.00
Kotak Quarterly Institutional Plan Series 9 - Dividend Payout	-	102.52
Kotak Quarterly Institutional Plan Series 10 - Dividend Payout	-	90.00
Kotak Liquid Institutional Premium - Daily Dividend	50.02	-
Kotak Liquidity Fund Daily Dividend ReInvestment	39.72	-
Kotak Floater Long Term - Growth	-	413.13
Reliance Fixed Horizon Fund - XIV - Series 1 - Super Institutional Growth	-	100.00
Reliance Fixed Horizon Fund - XIV - Series 5 - Super Institutional Growth	-	50.00
Reliance Fixed Horizon Fund - XV - Series 4 - Super Institutional Growth	-	50.00
Reliance Fixed Horizon Fund - XV - Series 5 - Super Institutional Growth	-	25.00
Reliance Fixed Horizon Fund - XV - Series 6 - Super Institutional Dividend	-	200.00
Reliance Liquidity Fund - Daily Dividend Reinvestment	81.59	-
Reliance Monthly Interval Fund - Series I - Institutional - Dividend	-	242.01
Reliance Monthly Interval Fund - Series II - Institutional - Dividend	-	296.02
Reliance Mutual Fund - Money Manager Fund - Dividend	-	123.14
Reliance Quarterly Interval Fund - Series I - Dividend	-	204.01
Religare FMP - Series - II Plan B (15 Months) - Growth	-	170.00
Religare FMP - Series - II Plan A (13 Months) - Growth	-	100.00
Religare FMP - Series - II Plan C (15 Months) - Growth	-	100.00
Religare FMP - Series - II Plan F (13 Months) - Growth	-	100.00
Religare FMP - Series - III Plan A (12 Months) - Growth	-	50.00
Religare FMP - Series - III Plan C (370 Days) - Dividend	-	50.00
Religare Liquid Fund - Super Institutional - Daily Dividend	50.63	-
SBI Debt Fund Series - 370 Days - Institutional Growth	-	90.00

Notes forming part of the consolidated 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
SBI Short Horizon Debt Fund - Ultra Short Term Institutional Plan	-	126.69
SBI Premier Liquid Fund - Super Institutional - Daily Dividend	-	74.14
Tata Fixed Maturity Plan Series 26 - Plan - A - Growth	-	20.00
Tata Floater Fund - Growth Option	-	563.99
Tata Liquid Fund - Super High Investment - Daily Dividend	18.51	-
UTI - Fixed Income Interval Fund - Monthly Interval Plan I - Dividend	-	150.00
UTI - Fixed Income Interval Fund - Monthly Interval Plan II - Dividend	-	114.99
UTI - Floating Rate Fund - Short Term Plan - Institutional - Growth	-	437.64
UTI - Liquid Cash Plan - Institutional - DDR	50.04	-
UTI - Treasury Advantage Fund - Institutional Plan - Growth	-	25.05
Total	503.96	8,799.74
Net asset value	503.96	8,891.27

17. INVENTORIES

₹ in crore

Particulars	March 31, 2012	March 31, 2011
At lower of cost and net realisable value		
Raw materials [including goods in transit ₹ 54.95 crores (Previous year ₹ 116.32 crores)]	460.73	294.84
Work-in-progress	0.15	0.32
Finished goods		
Iron ore	302.26	313.80
Metallurgical coke	22.51	35.14
Pig iron	28.48	38.58
Consumables stores and spares	61.02	54.73
Total	875.15	737.41

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	23.62	29.84
Doubtful	0.02	2.74
	23.64	32.58
Less: Provision for doubtful trade receivables	0.02	2.74
	23.62	29.84
Others trade receivables		
Unsecured, considered good	525.81	653.17
Total	549.43	683.01
Other trade receivables include amount in respect of sale of iron ore not due as at March 31, 2012 pending decision from the Supreme Court.	128.71	-

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

19. CASH AND CASH EQUIVALENTS

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Cash on hand	0.08	0.12
Cheques, drafts on hand	6.27	7.29
Balances with banks		
In current accounts	80.69	175.27
In deposit accounts with original maturity less than 3 months	-	688.00
In EEFC account	-	0.05
In earmarked accounts		
Unpaid dividend account	9.51	14.99
Balances held as margin money or security against borrowings	1.19	1.31
In deposit account with original maturity for more than 3 months but less than 12 months	-	10.00
Total	97.74	897.03
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is	87.04	870.73

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		
Intercompany deposits	32.88	1,026.71
Others	6.99	0.11
Loans and advances to employees [Dues from directors ₹ Nil (Previous year ₹ 0.01 crores)]	0.82	1.22
Prepaid expenses	11.81	10.13
Security deposits	17.46	12.06
Balance with government authorities		
CENVAT credit receivable	6.32	6.23
VAT credit receivable	21.82	20.61
Service tax credit receivable	16.45	5.57
Export duty receivable	83.41	84.65
Service tax refund receivable	34.50	17.65
Deposit with government authorities pursuant to a Court order	40.23	32.97
Others	0.70	0.69
Advance income tax (net of provision for income tax)	41.97	-
Advances to suppliers		
Considered good	91.81	92.31
Doubtful	0.62	0.62
	92.43	92.93
Less: Provision for doubtful loans and advances	0.62	0.62
	91.81	92.31
Other advances	4.09	-
Total	411.26	1,310.91

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

21. OTHER CURRENT ASSETS

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Interest accrued on deposits	0.08	14.14
Total	0.08	14.14

22. REVENUE FROM OPERATIONS

₹ in crore

Particulars	March 31, 2012	March 31, 2011
a. Sale of products		
Sale of iron ore	8,027.36	9,279.93
Less: Ocean freight	666.07	940.97
	7,361.29	8,338.96
Sale of metallurgical coke	200.73	142.10
Less: Excise duty	9.92	0.69
	190.81	141.41
Less: Ocean freight	0.02	0.01
	190.79	141.40
Sale of pig iron	791.10	728.87
Less: Excise duty	68.97	62.96
	722.13	665.91
Less: Ocean freight	1.89	2.16
	720.24	663.75
Sale of power	2.20	-
Conversion charges	0.01	-
	8,274.53	9,144.11
b. Sale of services		
Hire of transhipper	-	1.37
Hire of barges and jetties	2.64	15.58
Repairs of vessels by shipyard	-	2.61
Proceeds from other services	6.99	6.96
	9.63	26.52
c. Other operating revenues		
Sale of materials	10.42	11.38
Sale of carbon credits	7.94	4.44
Sale of gases	2.56	3.11
Sale of slag	4.98	3.77
	25.90	22.70
Total	8,310.06	9,193.33

Notes forming part of the consolidated 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	6.68	91.03
on bank deposits	4.90	82.15
others	1.81	0.18
Dividends		
on other long term investments	-	0.06
on current investments	110.50	296.99
Profit on sale of current investments (net)	107.44	62.16
Profit on sale of fixed assets (net)	0.90	0.86
Net gain on foreign currency transactions and translations	-	14.59
Other non-operating income	2.35	3.68
Total	234.58	551.70

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		
Iron ore	313.80	315.61
Metallurgical coke	35.14	10.66
Pig iron	38.58	12.38
Work in progress (Metallurgical coke)	0.32	1.74
	387.84	340.39
Inventories at the end of the year		
Finished goods		
Iron ore	302.26	313.80
Metallurgical coke	22.51	35.14
Pig iron	28.48	38.58
Work in progress (Metallurgical coke)	0.15	0.32
	353.40	387.84
Net decrease / (increase)	34.44	(47.45)

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

25. EMPLOYEE BENEFITS EXPENSE

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Salaries, wages and incentives	219.33	171.89
Contributions to provident and other funds	27.44	17.93
Staff welfare expenses	21.66	17.74
Total	268.43	207.56

26. FINANCE COST

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Interest expense		
Working capital loans and commercial paper	189.74	2.75
Foreign currency convertible bonds	45.17	27.86
Others	5.94	5.48
Other borrowing costs	2.54	2.31
Net loss on foreign currency transactions and translations in respect of borrowings (represents exchange differences arising from foreign currency borrowings to the extent regarded as an adjustment to interest cost)	189.87	48.78
Total	433.26	87.18

27. OTHER EXPENSES

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Consumption of stores and spare parts	349.94	296.32
Repairs and maintenance		
Plant and machinery	24.35	35.57
Buildings	5.42	17.26
Others	30.80	29.80
Contractors for hired trucks and other services	643.06	739.41
Hire of barges	51.11	80.74
Wharfage, tonnage, handling and shipping expenses	92.99	113.52
Railway freight	-	274.38
Rent	7.79	5.07
Royalty and cess	320.08	330.41
Rates and taxes	5.71	4.60
Insurance	13.93	15.60
Power and Fuel	20.74	20.38
Water charges	1.88	0.14

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

27. OTHER EXPENSES (CONTD.)

₹ in crore

Particulars	March 31, 2012	March 31, 2011
Excise duty on variation in stocks of finished goods	0.16	3.75
Indemnization for damages	0.59	8.64
Payments to auditors		
as Auditors - statutory audit	0.54	0.45
for taxation matters	0.03	-
for other services	0.58	0.49
Reimbursement of expenses	0.06	0.05
Sitting fees and commission to non wholetime directors	0.64	0.49
Travelling and representation expenses	11.58	13.42
Professional and legal charges	46.11	41.12
Bad debts and advances written off	-	0.03
Provision for doubtful trade receivables	-	0.07
Provision for doubtful loans and advances	-	0.12
Export duty	1,623.29	661.98
Demurrage over despatch	67.27	176.54
Commission and brokerage	0.58	2.11
Testing and analysis expenses	2.88	5.06
Net loss on foreign currency transactions and translations	181.43	-
Miscellaneous expenses	89.65	86.22
	3,593.19	2,963.74
Less: Extraction and processing cost recovered	25.03	27.34
Total	3,568.16	2,936.40

28. During the year the Group has made the following business acquisitions /strategic investments -

- a) along with its subsidiary Sesa Resources Limited, an equity stake aggregating 20% for ₹ 13,074.84 crores in the equity share capital of Cairn India Limited ("CIL"). With effect from December 8, 2011, CIL has become an associate company and accordingly, the Group's share of profits in CIL, attributable to the period after acquisition till March 31, 2012 have been recognised in the consolidated financial statements in accordance with Accounting Standard (AS) 23 under the Companies (Accounting Standard) Rules, 2006;
- b) through its wholly owned subsidiary, Bloom Fountain Limited, a 51% stake in Western Cluster Limited, Liberia ("WCL") for a cash consideration of ₹ 411.20 crores. WCL will develop the western cluster Iron Ore Project in Liberia which includes development of iron ore deposits, necessary transportation and shipping infrastructure for export of iron ore; and
- c) acquisition on March 2, 2012 of a 100% stake in the equity share capital of Goa Energy Private Limited ("GEPL") for an enterprise value of ₹ 104.18 crores on cash-free, debt-free basis including working capital of ₹ 5.93 crores. GEPL owns a 30 MW power plant in Goa which utilises the waste heat gases from Sesa's coke making and pig iron facilities.

29. The Board of Directors at their meeting held on February 25, 2012, has approved a Scheme of Amalgamation and Arrangement amongst Sterlite Industries (India) Limited, The Madras Aluminium Company Limited, Sterlite Energy Limited, Vedanta Aluminium Limited, and Sesa Goa Limited ("the Company") and their respective shareholders and creditors (the "Scheme") and also a Concurrent Scheme of Amalgamation of Ekaterina Limited with the Company and their respective shareholders and creditors (the "Concurrent Scheme"). The Scheme and the Concurrent Scheme are

Notes forming part of the consolidated financial statements (contd.)

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inter-conditional and the Concurrent Scheme coming into effect is a condition precedent to the effectiveness of the Scheme. Further, the name of the Company is proposed to be changed from Sesa Goa Limited to Sesa Sterlite Limited. The schemes are subject to regulatory approvals.

- 30.** Exceptional items pertains to advisory fees, taxes thereon and other expenses incurred for the strategic investment in Cairn India Limited.

- 31.** During the previous year, the Company had acquired assets of Bellary Steel and Alloys Limited for a consideration of ₹ 220 crores, on an "As is where is" basis.

The above acquisition has been challenged by JSW Limited in the Supreme Court. The Court has directed both the parties to maintain status quo till the matter is decided. In the meanwhile, freehold land at ₹ 121.12 crores continues to be included in fixed assets and balance ₹ 98.88 crores in capital work-in-progress.

- 32.** During the year ended March 31, 2010, the Company had issued 33,274,000 equity shares of ₹ 1 each at a premium of ₹ 160.46 per share for cash to Twin Star Holdings Limited on a preferential basis under the applicable provisions of The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 (the "Guidelines"). Entire proceeds aggregating ₹ 537.24 crores (Previous year to the extent of ₹ 101.47 crores) has been utilized for the Company's capital projects.

33. CONTINGENT LIABILITIES:

- i) Guarantees (excluding the liability for which provisions have been made) amounting to ₹ 32.17 crores (Previous year ₹ 13.84 crores) given by the bankers in favour of various parties.
- ii) Letters of Credit opened by the banks in favour of suppliers amounting to ₹ 138.19 crores (Previous year ₹ 363.93 crores).
- iii) Bonds executed in favour of customs authorities in respect of export of iron ore ₹ 3,048.35 crores (Previous year ₹ 1,807.92 crores).
- iv) Claims by custom authorities (under dispute) relating to differential export duty on export shipments ₹ 34.41 crores (Previous year ₹ 49.13 crores). The said amount is also included under bonds executed detailed in (iii) above.
- v) Bills discounted under letters of credit with banks ₹ 480.49 crores (Previous year ₹ 391.96 crores).
- vi) Disputed income tax demands of ₹ 245.38 crores (Previous year ₹ 19.51 crores) including interest and penalty of ₹ 62.36 crores (Previous year ₹ 1.71 crores), where the Group is in appeal before Appellate Authority.
- vii) Disputed forest development tax amounting to ₹ 195.36 crores (Previous year ₹ 173.96 crores) levied by Government of Karnataka challenged by writ petition filed in the High Court of Karnataka. Hearing of writ petition before the High Court of Karnataka is pending. A bank guarantee amounting to ₹ 45.00 crores (Previous year ₹ 35.00 crores) has been furnished against this demand. Also, an amount of ₹ 40.23 crores (Previous year ₹ 32.97 crores) has been deposited against the aforesaid demand and same is included under Short term loans and advances.
- viii) Cess on transportation of Ore, coal and coke within Goa levied by Government of Goa under the Goa Rural Development and Welfare Cess Act, 2000 (Goa Act 29 of 2000) amounting to ₹ 154.16 crores (Previous year ₹ 118.11 crores) challenged by way of writ petition in the High Court of Bombay, Panjim Bench.
- ix) Disputed marine claims aggregating ₹ 13.57 crores and disputed income tax claims aggregating ₹ 116.92 crores in respect of a subsidiary. These claims if finally determined as Payable will be reimbursed by the erstwhile shareholders of the said subsidiary pursuant to Share Purchase Agreement dated 11.06.2009.
- x) Other claims against the Group not acknowledged as debts:
 - a) Dead rent on deemed mining leases for the period from 20.12.1962 to 23.5.1987 amounting to ₹ 0.10 crores (Previous year ₹ 0.10 crores) and royalty for the period from 20.12.1961 to 30.9.1963 amounting to ₹ 0.12 crores

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(Previous year ₹ 0.12 crores) sought to be levied by the Government pursuant to the Goa, Daman & Diu Mining Concessions (Abolition & Declaration as Mining Leases) Act 1987, challenged by Special Leave Petition before Supreme Court of India.

- b) Claims related to commercial and employment contracts ₹ 4.26 crores (Previous year ₹ 7.40 crores).
- c) Demand from Railway authorities towards stacking charges amounting to ₹ 4.09 crores (Previous year ₹ 4.09 crores) appealed before Kolkata High Court and stay obtained. A bank guarantee amounting to ₹ 4.09 crores (Previous year ₹ 4.09 crores) has been furnished against this demand.
- d) Others ₹ 3.32 crores (Previous year ₹ 3.32 crores).

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 Group 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 Group's rights for future appeals before the judiciary.

34. COMMITMENTS:

Estimated amount of contracts remaining to be executed on capital account ₹ 149.78 crores (Previous year ₹ 412.39 crores).

35. DIRECT EXPENDITURE ON REPAIRS AND MAINTENANCE INCLUDED UNDER MAJOR HEADS OF EXPENSES ARE AS UNDER:

Particulars	₹ in crore			
	Plant and machinery	Buildings	Others	Total
Salaries, wages and incentives	20.04 (14.42)	0.42 (0.64)	4.36 (0.21)	24.82 (15.27)
Consumption of stores and spare parts	93.85 (59.63)	1.46 (2.12)	0.20 (0.60)	95.51 (62.35)
Contractors for hired trucks and other services	11.92 (15.53)	0.17 (0.45)	0.43 (0.51)	12.52 (16.49)
Others	3.01 (1.73)	3.19 (1.88)	0.20 (0.17)	6.40 (3.78)
Total	128.82 (91.31)	5.24 (5.09)	5.19 (1.49)	139.25 (97.89)

(Figures in brackets relate to previous year)

36. EMPLOYEE BENEFITS OBLIGATIONS:

Defined benefit plans:

The Group offers its employees defined benefit plans in the form of gratuity schemes. Gratuity Scheme covers all employees as statutorily required under Payment of Gratuity Act 1972. The Group has five gratuity schemes for different categories of employees. The Group contributes funds to Life Insurance Corporation of India, HDFC Standard Life Insurance Company Limited and ICICI Prudential Life Insurance Company Limited, 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.

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The details of the defined benefit plans are as below:

Particulars	₹ in crore	
	March 31, 2012	March 31, 2011
Fair value of plan assets	43.92	40.04
Present value of defined benefit commitment	(53.40)	(43.53)
Net changes in liability recognised in the Balance Sheet	(9.48)	(3.49)
Defined benefit commitment		
Balance at beginning of the year	43.54	38.60
Acquired on acquisition	0.13	-
Current service cost	2.62	2.24
Benefits paid	(5.93)	(4.75)
Interest cost	3.48	3.09
Actuarial (gains)/losses	9.56	4.35
Balance at end of the year	53.40	43.53
Change in fair value plan assets		
Balance at beginning of the year	40.05	37.80
Contribution made	6.01	3.72
Benefits paid	(5.83)	(4.75)
Return on scheme assets	3.47	3.00
Actuarial gains/(losses)	0.22	0.27
Balance at end of the year	43.92	40.04

The Plan assets of the Group are managed by the Life Insurance Corporation of India, HDFC Standard Life Insurance Company Limited and ICICI Prudential Life Insurance Company Limited and the composition of the Investment relating to these assets is not available with the Group.

Particulars	₹ in crore	
	March 31, 2012	March 31, 2011
Return on plan assets		
Expected return on plan assets	3.47	3.00
Actuarial gain /(loss)	0.22	0.27
Actual return on plan assets	3.69	3.27

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	2.62	2.24
Actuarial (gains) /losses	9.34	4.08
Expected return on plan assets	(3.47)	(3.00)
Interest cost	3.48	3.09
Direct payments	(0.79)	0.02
Total expenses accounted in the Statement of Profit and Loss	11.18	6.43

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions which if changed, would affect the defined benefit commitment's size, funding requirements.

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Return on plan assets	March 31, 2012	March 31, 2011
Rate on discounting liabilities	8%	8%
Expected salary increase rate	5%, 7% & 7.5%	5% & 7%
Expected rate of return on scheme assets	9%, 9.30% & 9.4%	9%, 9.3 % & 10%
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 a long term basis.

Experience adjustment

₹ in crore

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Present value of commitment	(53.40)	(43.53)	(38.60)	(25.63)	(21.22)
Fair value of the plans	43.92	40.04	37.80	20.88	19.65
Surplus / (deficit)	9.48	(3.49)	(0.80)	(4.75)	(1.57)
Experience adjustment on plan liabilities	(0.27)	2.60	(0.90)	3.14	1.02
Experience adjustment on plan assets	(0.24)	(3.23)	3.41	(0.04)	2.05

The contributions expected to be made by the Group during the financial year 2012-13 are ₹ 9.42 crores.

The above information is actuarially determined.

Defined contribution plans:

The Group offers its employees benefits under defined contribution plans in the form of provident fund, family pension fund and annuity fund. Provident fund, family pension fund and annuity 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 Group pay predetermined contributions into the provident fund and pension fund, the contribution to annuity fund are made only by the Group. The contributions are normally based on a certain proportion of the employee's salary prescribed in the respective scheme.

A sum of ₹ 16.26 crores (Previous year ₹ 11.50 crores) has been charged to the Statement of Profit and Loss in this respect, the components of which are tabulated below:

Particulars	March 31, 2012	March 31, 2011
Provident fund and family pension fund	10.86	7.95
Annuity fund	5.40	3.55
	16.26	11.50

The Group'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 Group as at March 31, 2012 is ₹ 1.08 crores.

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

37. SEGMENT INFORMATION

As required by Accounting Standard No.17 on Segment Reporting

i) The Group is collectively organised into four main business segments namely:

- Iron ore
- Met coke
- Pig iron
- Power

Segments have been identified and reported taking into account the nature of the product and services, the organisation structure and internal financial reporting system.

ii) Information based on the Primary Segment (Business Segment)

						₹ in crore
Particulars	Iron ore	Metallurgical coke	Pig iron	Power	Unallocated	Total
Revenue						
- Sales / Income from Operations	7,516.06	550.51	730.47	2.21		8,799.25
(net of duties and ocean freight)	(8,575.11)	(506.37)	(673.81)	-		(9,755.29)
Less : Intersegment Revenue	138.51	350.29	-	0.39		489.19
	(207.13)	(354.78)	(0.05)	-		(561.96)
Net Revenue from operations	7,377.55	200.22	730.47	1.82	-	8,310.06
	(8,367.98)	(151.59)	(673.76)	-		(9,193.33)
Other Income	2.71	0.17	0.37	-		3.25
	(16.25)	(2.71)	(0.17)	-		(19.13)
Segment Revenue	7,380.26	200.39	730.84	1.82		8,313.31
	(8,384.23)	(154.30)	(673.93)	-		(9,212.46)
Add : Interest Income					13.39	13.39
					(173.36)	(173.36)
Add : Dividend					110.50	110.50
					(297.05)	(297.05)
Add : Profit on sale of Investment					107.44	107.44
					(62.16)	(62.16)
Enterprise revenue						8,544.64
						(9,745.03)

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

						₹ in crore
Particulars	Iron ore	Metallurgical coke	Pig iron	Power	Unallocated	Total
Segment result before tax, interest, dividend and other non-recurring / unallocable income	3,334.90 (4,884.21)	15.96 (89.01)	45.44 (141.08)	0.87 (-)		3,397.17 (5,114.30)
Less: Finance costs					433.26 (87.18)	433.26 (87.18)
Less: Exceptional item					66.09	66.09
Add : Interest Income					13.39 (173.36)	13.39 (173.36)
Add : Dividend Income					110.50 (297.05)	110.50 (297.05)
Add : Profit on sale of Investment					107.44 (62.16)	107.44 (62.16)
Profit before Taxation		-				3,129.15 (5,559.69)
Segment Assets	2,873.03 (4,411.07)	534.04 (383.49)	321.99 (278.31)	85.34 -	16,586.73 (10,524.50)	20,401.13 15,597.37
Segment Liabilities	636.31 (910.28)	387.27 (357.26)	51.09 (52.15)	17.21 -	4,191.04 (1,467.25)	5,282.92 (2,786.94)
Capital Expenditure	720.46 (966.54)	3.17 (3.79)	14.99 (18.35)	-	-	738.62 (988.68)
Depreciation	88.57 (64.93)	8.39 (23.15)	8.69 (8.30)	0.49 -	-	106.14 (96.38)
Significant Non- Cash Expenses other than depreciation	- (0.12)	- (0.07)	- -	- -	195.84 (48.78)	195.84 (48.97)

(Figures in brackets relate to previous year)

iii) Information based on the Secondary Segment (Geographical Segments):

			₹ in crore
Particulars	March 31, 2012	March 31, 2011	
Segment revenue:			
India	1,372.49	1,261.08	
Outside India	6,940.82	7,951.38	
Segment assets:			
India	2,909.89	4,490.44	
Outside India	904.51	582.43	
Capital Expenditure:			
India	599.30	988.68	
Outside India	139.32	-	

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

38. RELATED PARTY INFORMATION:

Related party information as required by AS 18 is given below:

A. Names of the related parties and their relationships:

i) Ultimate holding company and its intermediaries

Ultimate Holding company

Vedanta Resources Plc

Intermediaries

Finsider International Company Limited

Twin Star Holdings Limited

Westglobe Limited

ii) Associate (and an indirect subsidiary of the ultimate holding company)

Cairn India Limited

iii) Jointly Controlled Entity:

Goa Maritime Private Limited

iv) Fellow Subsidiaries:

(With whom transactions have taken place during the year)

Bharat Aluminum Company Limited

Hindustan Zinc Limited

Konkola Copper Mines

Sterlite Industries (India) Limited

Sterlite Iron and Steel Company Limited

Sterlite Technologies Limited

Talwandi Sabo Private Limited

The Madras Aluminum Company Limited

Twin Star Mauritius Holdings Limited

Vedanta Aluminum Limited

Vizag General Berth Cargo Private Limited

v) Details of Key Management Personnel

Mr. P. K. Mukherjee, Managing Director

Mr. A. K. Rai (Retired on July 31, 2011), Wholetime Director

Mr. A. Pradhan, Wholetime Director

Mr. Pramod Unde, Wholetime Director of Sesa Mining Corporation Limited

vi) Enterprise in which significant influence is exercised by Key Management Personnel

Sesa Community Development Foundation

Notes forming part of the consolidated financial statements (contd.)

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B Transactions with related parties:

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

₹ in crore				
Name of Related Party	Nature of Transaction	Ultimate holding company / intermediaries	Jointly Controlled Entity	Fellow Subsidiaries
1) Sales and Services				
Bharat Aluminium Company Limited	Services rendered	- (-)	- (-)	0.003 (0.001)
Goa Maritime Private Limited	Interest on loan	- (-)	0.04 (0.05)	- (-)
Hindustan Zinc Limited	Sale of metallurgical coke and services rendered	- (-)	- (-)	2.41 (0.74)
Sterlite Industries (I) Limited	Sale of pig iron and services rendered	- (-)	- (-)	6.50 (7.08)
Sterlite Iron and Steel Company Limited	Interest on Intercompany deposits	- (-)	- (-)	2.99 (0.90)
The Madras Aluminium Company Limited	Services rendered	- (-)	- (-)	0.02 (0.03)
Vedanta Aluminum Limited	Interest on Intercompany deposits and services rendered	- (-)	- (-)	3.64 (90.14)
Vizag General Berth Cargo Private Limited	Services rendered	- (-)	- (-)	0.01 (0.04)

Notes forming part of the consolidated financial statements (contd.)

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₹ in crore				
Name of Related Party	Nature of Transaction	Ultimate holding company / intermediaries	Jointly Controlled Entity	Fellow Subsidiaries
2) Purchase and Other services				
Bharat Aluminium Company Limited	Administration expenses	- (-)	- (-)	- (0.01)
Finsider International Company Limited	Dividend remittance	220.82 (130.49)	- (-)	- (-)
Goa Maritime Private Limited	Other Services	- (-)	10.28 (9.80)	- (-)
Hindustan Zinc Limited	Administration expenses	- (-)	- (-)	0.21 (0.63)
Konkola Copper Mines	Administration expenses	- (-)	- (-)	0.01 (-)
Sterlite Industries (I) Limited	Administration expenses	- (-)	- (-)	7.44 (13.19)
Sterlite Technologies Limited	Administration expenses	- (-)	- (-)	- (0.02)
Talwandi Sabo Power Limited	Administration expenses	- (-)	- (-)	0.01 (-)
The Madras Aluminium Company Limited	Administration expenses	- (-)	- (-)	- (0.003)
Twin Star Holdings Limited	Dividend remittance	18.30 (10.81)	- (-)	- (-)
Twin Star Mauritius Holdings Limited	Advisory fees	- (-)	- (-)	56.43 (-)
Vedanta Aluminum Limited	Administration expenses	- (-)	- (-)	0.42 (2.56)
Vedanta Resources Plc.	Administration expenses	10.61 (5.86)	- (-)	- (-)
West Globe Limited	Dividend remittance	24.39 (14.41)	- (-)	- (-)

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

			₹ in crore
Name of Related Party	Ultimate holding company / intermediaries	Jointly Controlled Entity	Fellow Subsidiaries
3) Inter Corporate Deposits			
Sterlite Iron & Steel Company Limited	- (-)	- (-)	32.88 (26.71)
Vedanta Aluminium Limited	- (-)	- (-)	- (1,000.00)
4) Outstanding receivable / (payable)			
Goa Maritime Private Limited	- (-)	0.39 (0.50)	- (-)
Hindustan Zinc Limited	- (-)	- (-)	-0.26 (-0.01)
Konkola Copper Mines	- (-)	- (-)	-0.01 (-)
Sterlite Industries (I) Limited	- (-)	- (-)	-0.61 (-1.50)
Sterlite Iron and Steel Company Limited	- (-)	- (-)	- (0.90)
Twin Star Mauritius Holdings Limited	-1.56 (-)	- (-)	- (-)
Vedanta Aluminum Limited	- (-)	- (-)	-0.05 (-0.52)
Vedanta Resources Plc.	-17.20 (-7.46)	- (-)	- (-)

(Figures in brackets relate to previous year)

b) Details relating to persons referred to in item A (v) above:

Remuneration to Key Management Personnel	₹ in crore	
	March 31, 2012	March 31, 2011
Mr. P. K. Mukherjee	3.78	2.41
Mr. A. K. Rai (Retired on July 31, 2011)	1.89	1.29
Mr. A. Pradhan	1.90	1.00
Mr. H. P. U. K Nair (Retired on October 1, 2009)	-	0.15
Mr. Pramod Unde	1.60	1.30
	9.17	6.15
Outstanding receivable / (payable)		
Mr. P. K. Mukherjee	(0.91)	(0.74)

Notes forming part of the consolidated financial statements (contd.)

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c) Details relating to persons referred to in item A (vi) above

₹ in crore		
Particulars	March 31, 2012	March 31, 2011
Donation	5.29	3.29

d) Additional information required as per Clause 32 of the Listing Agreement

₹ in crore				
Particulars	March 31, 2012		March 31, 2011	
	Outstanding as at March 31, 2012	Maximum amount outstanding during the year	Outstanding as at March 31, 2011	Maximum amount outstanding during the year
Inter-corporate deposits – Dues from fellow subsidiaries				
Vedanta Aluminum Limited	-	1,000.00	1,000.00	1,000.00
Sterlite Iron and Steel Company Limited	32.88	32.88*	27.61	27.61

* Inter-corporate deposits have been placed at an interest rate of 8% p.a. upto May 11, 2011 and 10% p.a. from May 12, 2011 to March 31, 2012.

39. EARNINGS PER SHARE:

₹ in crore		
Particulars	March 31, 2012	March 31, 2011
Profit for the year (₹ in crore)	2,695.50	4,222.45
Weighted average no. of equity shares	869,101,423	858,713,539
Nominal value of each equity shares	₹ 1	₹ 1
Basic earnings per share (in ₹)	31.01	49.17
Add: Expenses/ (income) to the Statement of Profit and Loss on account of Foreign Currency Convertible Bonds (net of tax)	127.32	58.11
Profit for Diluted Earning per share	2,822.82	4,280.56
Weighted average number of shares for Basic EPS	869,101,423	858,713,539
Add: Effect of potential equity shares on conversion of Foreign Currency Convertible Bonds	30,000,000	30,000,000
Weighted average number of shares for Diluted Earning per share	899,101,423	888,713,539
Diluted earnings per share (in ₹) [restricted to basic EPS since anti dilutive]	31.01	48.17

40. DISCLOSURE REGARDING JOINTLY CONTROLLED ASSETS - MV GOAN PRIDE

₹ in crore		
Particulars	March 31, 2012	March 31, 2011
Jointly controlled assets - Net Book Value	28.27	31.47
Liabilities	14.32	18.75
Expenses incurred	31.00	29.73
Income recognised	12.92	19.44

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41. In terms of the Mineral Concession Rules 1960 and Mineral Conservation and Development Rules (MCDR) 1988, the Group has provided a "financial assurance" in the form of a bank guarantee to the Regional Controller of Mines, towards its mine closure obligation. The Group 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:

Nature of obligation	₹ in crore	
	March 31, 2012	March 31, 2011
Provision for mine closure		
Opening carrying amount	3.46	2.65
Additional provision made during the year	-	0.81
Closing carrying amount	3.46	3.46

42. FOREIGN CURRENCY EXPOSURES:

- a) The Group enters into forward contracts which are not intended for trading or speculative purposes, but for hedging.

- i. Forward exchange contracts outstanding as at March 31, 2012

Currency	Foreign Currency in million	Buy/Sell	₹ in crore
EURO / INR	1.17	Buy	7.83
EURO / USD	1.05	Buy	6.99

- 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, 2012		March 31, 2011	
	₹ in crore	Fx million	₹ in crore	Fx million
Trade receivables and advances to suppliers	347.86	USD 59.75	582.00	USD 130.02
		Euro 6.13		Euro 0.17
		JPY 1.58		JPY 2.07
		SGD 0.01		SGD 0.05
		GBP 0.02		GBP 0.01
Bank balances	0.05	CNY 0.06	0.13	CNY 0.12
		USD 0.00006		USD 0.01

- 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	485.20	USD 94.73	494.25	USD 110.3
		JPY 2.64		JPY 11.8
		Euro 0.01		Euro 0.15
		AUD 0.05		AUD 0.05
		GBP 0.02		
Foreign Currency Convertible bonds and Interest there on	1,135.25	USD 221.92	988.31	USD 221.35
Foreign Currency Loan and Interest there on	1,506.85	USD 294.55	28.14	USD 6.3

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

Notes forming part of the consolidated financial statements (contd.)

as at and for the year ended March 31, 2012

- 43.** The Group offers equity-based award plans to its employees, officers and directors through its ultimate holding Group, Vedanta Resources Plc., the Vedanta Resources Long-Term Incentive Plan (the "LTIP").

The LTIP is the primary arrangement under which share-based incentives are provided to the defined management group. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the balance of basic salary and share-based remuneration consistent with local market practice. The performance condition attaching to outstanding awards under the LTIP is that of Vedanta's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three year period with the performance of the companies as defined in the scheme from the date of grant.

Under this scheme, initial awards under the LTIP were granted in February 2004 and subsequently further awards were granted in the respective years. The awards are indexed to and settled by Vedanta shares. The awards provide for a fixed exercise price denominated in Vedanta's functional currency at 10 US cents per share, the performance period of each award is three years and the same is exercisable within a period of six months from the date of vesting beyond which the option lapse. Under the scheme, Vedanta is obligated to issue the shares. Further, in accordance with the terms of agreement between Vedanta and the Group, on the grant date, fair value of the awards is recovered by Vedanta from the Group.

Amount recovered by Vedanta and recognised by the Group in the Statement of Profit and Loss for the financial year ended March 31, 2012 is ₹ 10.61 crores (Previous year ₹ 5.86 crores). The Group considers these amounts as not material and accordingly has not provided further disclosures.

- 44.** 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

P. K. Mukherjee
Managing Director

Amit Pradhan
Director

S. L. Bajaj
Director-Finance

C. D. Chitnis
Company Secretary

Place: Panaji - Goa
Date: April 24, 2012

Notice of Annual General Meeting

Notice is hereby given that the Forty-Seventh Annual General Meeting of Sesa Goa Limited will be held on Tuesday, July 3, 2012 at 10.00 A.M at Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Statement of Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a director in place of Mr. G. D. Kamat who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. A. Pradhan who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

To consider and, if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

6. "RESOLVED that pursuant to the provisions of sections 198,269,309,310 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to the re- appointment of Mr. Prasun Kumar Mukherjee, as Managing Director of the Company for a period of three years with effect from April 1, 2012 and to the payment of remuneration with base salary of ₹ 7,56,400/- per month in the scale of ₹ 7,50,000/- to ₹ 15,00,000/- more particularly set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting, with a liberty to the Board of Directors to alter and vary such terms and conditions including remuneration so as not to exceed the limits specified in Part I i.e., in case of profit and Part II, i.e., in case of inadequacy of profit of Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be agreed to by the Board of Directors and Mr. P. K. Mukherjee during the aforesaid period."

By Order of the Board

SESA GOA LIMITED

C. D. Chitnis

Company Secretary & AVP-Legal

Place: Panaji - Goa

Date: April 24, 2012

NOTES:

- A) The relative Explanatory Statement as required by Section 173 of the Companies Act, 1956, in regard to the Special Business entered under Item 6 is annexed hereto.
- B) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- C) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, June 12, 2012 to Thursday, June 14, 2012 (both days inclusive).
- D) The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between July 4, 2012 and July 25, 2012 to those members whose names shall appear on the Company's Register of Members on Monday, June 11, 2012; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on

Notice of Annual General Meeting (contd.)

that date.

- E) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
- F) Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrars and Transfer Agents, M/s. Karvy Computershare Private Limited.
- G) In accordance with the provisions of Section 205A (5) read with Section 205C of the Companies Act, 1956, the amount of dividend for the Financial Year ended March 31, 2004 and interim dividend for the financial year ended March 31, 2005 which remained unpaid and unclaimed for a period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company has been transferred to the Investor Education and Protection Fund established by the Central Government.
- H) Pursuant to the provisions of Section 205A (5) read with Section 205C of the Companies Act, 1956 the amount of final dividend for the Financial Year ended March 31, 2005 and dividend for the financial year ended March 31, 2005 in respect of erstwhile SIL and thereafter which remain unpaid and unclaimed for a period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund established by the Central Government and no claim shall lie against the said Fund or the Company for the amounts of dividend so transferred to the said Fund. Shareholders, who have not yet encashed their final dividend warrants for the Financial Year ended March 31, 2005 or any subsequent financial years are therefore requested to make their claim to the Company without delay.
- I) Members are requested to bring their Admission Slips along with copy of the Report and Accounts to the Annual General Meeting.
- J) Members, who wish to obtain any information on the Company or view the accounts for the Financial Year ended March 31, 2012 may visit the Company's corporate website www.sesagoa.com or send their queries atleast 10 days before the Annual General Meeting to the Company Secretary at the Registered Office of the Company.
- K) The information as required to be provided under the Listing Agreement with the Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed is given hereunder:

i)	Name	Mr. G. D. Kamat		
	Age	77 years		
	Qualifications	B.A., L.L.B.		
	Expertise	Over 45 years experience in the field of Legal Practice and Judiciary. Retd. as Chief Justice of Gujarat High Court in 1996. Presently engaged in Judicial work relating to Arbitration and Conciliation.		
	Shareholding	Nil		
Other Directorships / Committee Memberships				
Sr. No.	Name of the Company	Position held	Committee Type	Membership Status
NIL				

Notice of Annual General Meeting (contd.)

ii)	Name	Mr. Amit Pradhan		
	Age	57 years		
	Qualifications	M.Sc. (Physics) from IIT Delhi.		
	Expertise	34 years experience. Materials, Project Management, M & A and General Management are areas of experience.		
	Shareholding	1340 shares		
Other Directorships / Committee Memberships				
Sr. No.	Name of the Company	Position held	Committee Type	Membership Status
1.	Goa Energy Private Limited	Director	-	-
iii)	Name	Mr. Prasun Kumar Mukherjee		
	Age	56 years		
	Qualifications	Fellow Member of The Institute of Chartered Accountants of India & Associate Member of the Institute of Cost Accountants of India.		
	Expertise	33 years of experience in Finance, Accounts, Costing, Taxation, Legal and General Management		
	Shareholding	2000 Shares		
Other Directorships / Committee Memberships				
Sr. No.	Name of the Company	Position held	Committee Type	Membership Status
1.	Sesa Mining Corporation Ltd.	Director	Audit	Member
2.	Sesa Resources Ltd.	Director	-	-
3.	Goa Energy Pvt. Ltd.	Director	-	-
4.	Bloom Fountain Ltd	Director	-	-
5.	Western Cluster Ltd	Director	-	-
6.	Sesa Community Development Foundation	Director	-	-

Annexure to Notice

Explanatory statement pursuant to section 173 of The Companies Act, 1956

ITEM NO. 6

Mr. Prasun Kumar Mukherjee was re-appointed as Managing Director of the Company by Circular Resolution dated March 28, 2012, effective from April 1, 2012 for a period of three years, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. The Board at its meeting held on April 24, 2012 approved his base salary at ₹ 7,56,400/- per month in the scale of ₹ 7,50,000/- to ₹ 15,00,000/- as recommended by the Remuneration Committee.

Mr. P. K. Mukherjee is a nominee of Finsider International Co. Ltd., pursuant to the provisions of Article 111 of the Articles of Association of the Company.

Mr. P. K. Mukherjee, during last six years, as Managing Director has driven the affairs of the Company making financially strong more particularly in the recession period. The Board commends passing of the resolution, as the experience of Mr. P. K. Mukherjee will help in growth of the business in future.

Mr. P. K. Mukherjee is a Fellow Member of the Institute of Chartered Accountants of India and also Associate Member of the Institute of Cost Accountants of India with 33 years of experience in Finance, Accounts, Costing, Taxation, Legal and General Management. Mr. P. K. Mukherjee has made valuable contribution in increasing the shareholders value and strategic planning for the growth of Sesa Group.

The remuneration proposed and reproduced herein below is within the norms to the Schedule XIII of the Companies Act, 1956 as amended:

(A)	Salary	₹ 7,56,400/- per month (in the scale of ₹ 7,50,000/- to ₹ 15,00,000/-). Salary shall normally be subject to review for competitiveness periodically thereafter, being adjusted as appropriate and as approved by the Board.
(B)	Commission	At 1% of the net profits of the Company, computed in the manner laid down under Section 309 (5) of the Companies Act, 1956, subject to a ceiling of 100% of the salary per annum, whichever is less.
(C)	Stock Options	Stock Options of Sesa Goa Limited and/or Vedanta Resources Plc under Long Term Incentive Plan provided the amount of benefit is limited to an amount not exceeding 150% of the total Annual Salary.
(D)	Perquisites	This shall be allowed in addition to salary and commission. Such perquisites are classified under 3 categories as under:

Category A

- i) Housing – As per rules of the Company. The house will be fully furnished.
- ii) Medical Reimbursement – Expenses incurred for self and family will be as per the rules of the Company.
- iii) Leave Travel Concession – For self and family once in a year in accordance with the rules of the Company.
- iv) Leave – Five weeks leave inclusive of travel time for each year of completed service. The availment/accumulation and encashment of leave will be as per rules of the Company.
- v) Club Fees – Annual membership and entrance fees shall be borne by the Company for upto two clubs. However, life membership fees will not be paid by the Company.
- vi) Personal Accident Insurance – Coverage by Policy for ₹ 25,00,000/-.

For the purpose of Category A “Family” means wife, dependent children and dependent parents.

Category B

The Company's contribution to Provident Fund and Superannuation Fund will be as per rules of the Company.

Gratuity – As per the rules of the Company and from the date of commencement of employment with the Company.

Annexure to Notice (contd.)

Explanatory statement pursuant to section 173 of The Companies Act, 1956

Category C

The Company shall provide two cars with driver, mobile phone for business / personal use and telephone/fax/internet facility at the official place of residence.

In case of loss or inadequacy of profits, in any year, remuneration shall be payable within the ceiling mentioned in Part II of Schedule XIII of the Companies Act, 1956 or any amendments thereto.

Mr. P. K. Mukherjee will not be entitled to sitting fees for attending Board / Committee Meetings of the Company.

The remuneration is subject to the provisions of the Income Tax Act, as applicable from time to time.

Mr. P. K. Mukherjee is interested in the Resolution, which if passed, will benefit him. No other Director is interested in this item.

Copy of the existing contract of Mr. P. K. Mukherjee is available for inspection at the Registered Office of the Company on any working day during office hours.

The above statement under Item 6 may also be regarded as abstract of the terms and conditions and memorandum of interest under Section 302 of the Companies Act, 1956.

By Order of the Board

SESA GOA LIMITED

C. D. Chitnis

Company Secretary & AVP-Legal

Place: Panaji - Goa

Date: April 24, 2012

Sesa Goa Limited

Regd. Office:

'Sesa Ghor', 20 EDC Complex, Patto, Panaji, Goa - 403 001

ATTENDANCE SLIP

Please fill this attendance slip and hand it over at the entrance of the meeting hall.

(For demat holding)

(For physical holding)

DP Id.

Folio No.

Client Id.

No. of shares

I hereby record my presence at the 47th ANNUAL GENERAL MEETING of the Company on Tuesday, July 3, 2012 at 10.00 a.m. at Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa.

Name of the equity shareholder/proxy/representative.....

Signature of the equity shareholder/proxy/representative.....

Note: Shareholders are requested to bring the Attendance Slip with them when they come to the meeting and hand it over at the gate after affixing their signature on it.

Sesa Goa Limited

Regd. Office:

'Sesa Ghor', 20 EDC Complex, Patto, Panaji, Goa - 403 001

PROXY FORM

I/We..... of.....

being a member/members of SESA GOA LIMITED, hereby appoint.....

of.....of..... failing him

.....of.....

or failing him.....as my/our proxy to vote for me/us and on

my/our behalf at the 47th ANNUAL GENERAL MEETING of the Company on Tuesday, July 3, 2012 at 10.00 a.m. at

Dinanath Mangeshkar Kala Mandir Auditorium at Kala Academy, Panaji, Goa and at any adjournment thereof.

Signed thisday of.....2012.

Folio No./DP ID and Client ID:

Address:

Affix ₹ 1/-
Revenue
Stamp

Signature

Notes:

1. The proxy need NOT be a member.
2. The proxy form duly signed across revenue stamp should be submitted to the Company's Registered Office at least 48 hours before the time of the meeting.

Corporate Information

Board of Directors:

Kuldip K. Kaura

Jagdish P. Singh

Gurudas D. Kamat

Ashok Kini

Amit Pradhan

Whole Time Director

Prasun K. Mukherjee

Managing Director

Secretary:

C. D. Chitnis

Auditors:

M/s. Deloitte Haskins & Sells

Chartered Accountants,

Mumbai

Registered Office:

Sesa Goa Limited

Sesa Ghor, 20 EDC Complex,

Patto, Panaji,

Goa - 403 001, INDIA.

Transfer Agents

Karvy Computershare Private Limited,

Plot No. 17-24, Vittal Rao Nagar,

Madhapar, Hyderabad – 500 081

Phone: 040 4465 5000

Fax: 040 2342 0814

Email: mailmanager@karvy.com

einward.ris@karvy.com

www.karvycomputershare.com

Bankers:

Canara Bank

State Bank of India

ICICI Bank Limited

Kotak Mahindra Bank

Yes Bank

Standard Chartered Bank India

DBS Bank India

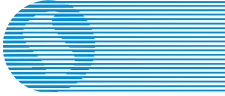
HDFC Bank

Mining and other establishments:

Goa and Karnataka, India

Liberia, Africa

SESA GROUP



Sesa Goa Limited

Sesa Ghor, 20 EDC Complex,
Patto, Panaji,
Goa - 403 001, INDIA.
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www.sesagoa.com