



SESA MINING CORPORATION LIMITED

Director's Report

To the Members,

The Board of Directors presents the 42nd Annual Report of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2011 is presented herewith.

Your Company's name has been changed to **Sesa Mining Corporation Limited** from **Dempo Mining Corporation Limited** with effect from 18th November, 2010 in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985.

1. Financial Results:

	2010-2011 (₹ in Lakhs)	2009-2010 (₹ in Lakhs)
Profit before Depreciation and Taxes	2,378.65	1961.31
Less: Depreciation	274.01	253.85
Provision for Taxes		
Current	620.00	515.36
Deferred	96.00	(37.19)
Fringe Benefit Tax	-	-
Tax relating to earlier years	(16.36)	(0.35)
Profit after Tax	1,404.99	1,229.64
Surplus/(Loss) Brought forward	9,442.94	8,213.30
Balance Carried forward	10,847.93	9,442.94

2. Dividend

With a view to conserve resources for future operations, your Directors do not recommend any dividend for the financial year ended 31st March, 2011.

3. Performance and Outlook

The Company recorded all time high quarterly sales and production. In FY 2010-11 iron ore sales volumes decreased by 14.8% from 2.5 million tonnes in 2009-10 to 2.13 million tonnes in 2010-11. The sales revenue increased from ₹ 140.8 crore in 2009-10 to ₹ 178.2 crore in 2010-11, due to increased iron ore prices, profit after tax (PAT) also increased from ₹ 12.3 crore in 2009-10 to ₹ 14.1 crore in 2010-11.

The Company will continue to maintain these levels of operations and is fairly optimistic about contributing to Sesa Goa's growth plans in 2011-12.

ISO Certification

The Company continues to focus on adopting efficient quality systems and environmental practices. During the year under review, your Company has maintained ISO-9001:2008 and ISO-14001:2004 certifications.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

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

4. Directors

Mr. D D Jalan, Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment.

5. Auditors

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

SESA MINING CORPORATION LIMITED

142 **Director's Report (Continued)****6. Awards**

Your Company was awarded with the following prestigious awards during the year 2010-11

- British Safety Council's International Safety Award for the year 2011,
- During 39th Annual Safety Week your Company won several prestigious awards like
 - First prize in electrical equipment's
 - Second prize in welfare amenities & health protection
 - Second prize in housekeeping and organization
 - Second prize in mechanized mines Group-A-2010, engineering aspects
- During 22nd Mines Environment and Mineral Conservation (MEMC) week celebrations your Company won several prestigious awards like
 - First prize for afforestation under very large mechanized mines category .

7. 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:

	2010-11	2009-10
FSI	0.155	0.101

8. Directors' Responsibility Statement

Your Directors confirm that:

- (i) the applicable accounting standards have been followed along with proper explanations relating to material departures, if any, for preparation of the annual accounts;
- (ii) the accounting policies have been selected and applied consistently and judgements 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 31st March, 2011 and of the profits of the Company for that year;
- (iii) 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;
- (iv) the annual accounts have been prepared on a going concern basis.

9. Particulars of Employees - U/S. 217(2A)

A statement giving prescribed information relating to employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are given in Annexure B which forms part of this Report.

10. Acknowledgement

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

For and on behalf of the Board of Directors

Place: Panaji, Goa
Dated : 21st April, 2011

Pramod Unde
Whole-time Director

Sushil Gupta
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 31st March, 2011.

(A) Conservation of Energy

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

(B) Technological Absorption

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

Research and Development (R & D):

1. Specific areas in which R & D have been carried out by the Company:

The Company is looking for new process designs and applications of efficient machinery for iron ore beneficiation and mining on a continuous basis. Focus is also on towards process development work on the recovery of iron from tailings along with optimization of blend of various grades to achieve customer satisfaction and to conserve the iron ore resource.

2. Benefits derived as a result of the above R & D:

The benefits include reductions in operating costs; improvements in environmental control; optimization of the product mix; and conservation of resources. The coke business will also be reaping benefits through upgrading of technology.

3. Future plans of action:

Developmental work will continue to be carried out in all the above areas with a focus on cost reduction and quality improvement.

4. Expenditure on R & D:

	2010-2011 (₹ in crore)	2009-2010 (₹ in crore)
a) Capital	Nil	0.00
b) Recurring (revenue)	Nil	0.03
c) Total	Nil	0.03
d) Total R & D expenditure as a Percentage of total turnover	NA	0.02%

Technology Absorption, Adaptation and Innovation:

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

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

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

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

- 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 foreign exchange outgo is on account of import of capital items. during the year, foreign exchange outgo was ₹ 16.61 crores (details are given in schedule 16).

For and on behalf of the Board of Directors

Place: Panaji, Goa
Dated : 21st April, 2011

Pramod Unde
Whole-time Director

Sushil Gupta
Director

SESA MINING CORPORATION LIMITED

144 **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 31st March, 2011

Sr. No.	Name of the Employee	Designation/ Nature of Duties	Gross Remuneration (₹ in Lakhs)	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
	Pramod Unde	Whole-time Director	130	BE (Mechanical), AMIE, ICWA (INTER)	29	03/08/2009	48	KCM, Zambia

(A) Employed for part of the financial year
NA

*NA - Not Applicable.

Notes:

- The Gross Remuneration received / receivable is inclusive of Salaries, Bonus, Commission to Directors, Company's Contribution towards Provident Fund, House Assistance, Superannuation Fund, Medical and other benefit, Leave Travel Assistance and Allowances as applicable in accordance with the Company's Rules.
- The Company Contribution to a separate Gratuity Trust Fund for future payment of retirement Gratuity to its employees. The trust has taken a Group Gratuity-Cum Life Insurance Corporation of India Limited. The liability pertaining to Individual Employee is not ascertainable and therefore has not been included.
- The nature of Employment is Contractual.
- No employee holds by himself or along with his/her spouse and dependent children , 2% or more equity shares of the Company.

For and on behalf of the Board of Directors

Place: Panaji, Goa
Dated : 21st April, 2011

Pramod Unde
Whole-time Director

Sushil Gupta
Director



Auditors' Report

To the Members of

Sesa Mining Corporation Limited (Formerly known as Dempo Mining Corporation Limited)

1. We have audited the attached Balance Sheet of **SESA MINING CORPORATION LIMITED** (the "Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, ("CARO" / the "Order") 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 Profit and Loss Account 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 Profit and Loss Account 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 financial statements 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 31st March, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on 31st March, 2011; and
 - (iii) in the case of the Cash Flow Statement of the cash flows for the year ended on 31st March, 2011.
5. On the basis of written representations received from the directors as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No. 008072S)

C.R. Rajagopal

Partner
(Membership No. 23418)

Place: Panaji-Goa
Dated: 21st April, 2011

SESA MINING CORPORATION LIMITED

**146 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) According to the information and explanations given to us, all the fixed assets of the Company had been physically verified in the financial year 2009-10 in accordance with its programme of verification which provides for verification of all fixed assets over a period of three years. Accordingly, the fixed assets were not physically verified during the year.
 - (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 explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not entered into any contract or arrangement with other parties, which needs to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (viii) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the Company's products.
- (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, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.



- (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (c) There were no disputed dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2011.
- (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. Therefore, the provisions of paragraph 4(xi) of the Order are not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of paragraph 4(xii) of the Order are not applicable to the Company.
- (xiii) The Company is not a chit fund, nidhi, or a mutual benefit society.
- (xiv) According to the information and explanations given to us, the Company is not a dealer or trader in shares, securities or debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) According to the information and explanations given to us, the Company has not availed any term loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that, funds raised on short-term basis have, not been used during the year for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) According to the information and explanations given to us, and the records examined by us, the Company has not issued any debentures that were outstanding at any time during the year.
- (xx) According to the information and explanations given to us, the Company has not raised any money by public issue during the year.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, we report that no material fraud on or by the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No. 008072S)

C.R. Rajagopal

Partner
(Membership No.23418)

Place: Panaji-Goa
Dated: 21st April, 2011

SESA MINING CORPORATION LIMITED

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Balance Sheet

As at 31st March, 2011

Particulars	Sch. No.	As at 31st March, 2011		As at 31st March, 2010	
		₹	₹	₹	₹
SOURCES OF FUNDS					
Shareholders' funds					
Share capital	1	115,000,000		115,000,000	
Reserves and surplus	2	1,127,427,378		986,928,601	
			1,242,427,378		1,101,928,601
Loan funds					
Secured loans		-		-	
Unsecured loans		-		-	
			-		-
Total			1,242,427,378		1,101,928,601
APPLICATION OF FUNDS					
Fixed assets					
Gross block	4	1,215,393,919		704,217,929	
Less : Depreciation		534,813,149		507,676,816	
Net Block		680,580,770		196,541,113	
Capital work-in-progress		407,273,056		68,562,348	
			1,087,853,826		265,103,461
Investments	5		121,213,621		646,717,866
Deferred tax Asset	3		10,582,767		20,183,188
Current assets, loans and advances					
Inventories	6	231,771,681		233,611,186	
Sundry debtors	7	40,641,539		44,580,174	
Cash and bank balances	8	30,928,413		29,309,014	
Other current assets		65,039		3,115,251	
Loans and advances	9	143,983,019		106,313,391	
			447,389,691		416,929,016
Less: Current liabilities and provisions					
Current liabilities	10	400,549,637		233,074,215	
Provisions	11	24,062,890		13,930,715	
			424,612,527		247,004,930
Net current assets			22,777,164		169,924,086
Total			1,242,427,378		1,101,928,601
Notes to accounts	16				

Per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

C.R. Rajagopal
Partner

Pramod Unde
Whole-time Director

Sushil Gupta
Director

Rahul Tibrewal
Company Secretary

Place: Goa
Dated: 21st April, 2011

Place: Goa
Dated: 21st April, 2011



Profit and Loss Account

For the year ended 31st March, 2011

Particulars	Sch. No.	Period ended 31st March, 2011		Year ended 31st March, 2010	
		₹	₹	₹	₹
INCOME					
Sales of ore		1,782,301,862		1,408,430,821	
Miscellaneous income	12	22,407,632		30,996,303	
			1,804,709,494		1,439,427,124
EXPENDITURE					
Production and operational expenses	13	1,515,434,963		1,227,321,540	
Administration expenses	14	50,215,918		15,710,821	
Interest and other charges	15	1,193,937		263,235	
Depreciation		27,401,135		25,385,202	
			1,594,245,953		1,268,680,798
Profit before tax			210,463,541		170,746,326
Less: Provision for taxation					
Current tax			62,000,000		51,536,200
Deferred tax			9,600,421		(3,718,827)
Prior year taxes			(1,635,657)		(34,860)
Profit after taxes			140,498,777		122,963,813
Balance brought forward			944,293,411		821,329,598
Surplus carried to reserve and surplus			1,084,792,188		944,293,411
Earnings per share - basic and diluted (Refer Note No.12 of Schedule 16)			122.17		106.93
Nominal value per share			100.00		100.00
Notes to accounts	16				

Per our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

C.R. Rajagopal
Partner

Place: Goa
Dated: 21st April, 2011

For and on behalf of the Board of Directors

Pramod Unde
Whole-time Director

Place: Goa
Dated: 21st April, 2011

Sushil Gupta
Director

Rahul Tibrewal
Company Secretary

SESA MINING CORPORATION LIMITED

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Cash Flow Statement

For the year ended 31st March, 2011

Particulars	Year ended	Year ended
	31st March, 2011	31st March, 2010
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	210,463,541	170,746,326
Adjustments for:		
Depreciation	27,401,135	25,385,202
Provision for doubtful debts written back	-	(25,171)
Assets Written Off	-	(25,131)
Interest/dividend (net)	(8,297,572)	(5,988,158)
(Profit)/ loss on sale of assets	(116,965)	(233,253)
(Profit)/loss on redemption of investments	(535,132)	(16,564,523)
Operating profit before working capital changes	228,915,007	173,295,293
Adjustments for:		
Trade and other receivables	(54,288,676)	(45,919,636)
Inventories	1,839,505	232,563,857
Trade payables	177,607,597	125,217,478
Cash generated from operations	354,073,433	485,156,992
Taxes paid	(39,806,660)	(103,552,076)
NET CASH FROM OPERATING ACTIVITIES	314,266,773	381,604,916
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(850,194,418)	(69,529,141)
Proceeds from sale of fixed assets	159,883	2,589,583
(Purchase)/redemption of current investments	526,039,377	(627,858,823)
Movements in term deposits with maturity more than 3 months	24,012,695	(67,716)
Interest received	5,376,824	1,482,427
Dividend received	5,970,960	2,337,770
NET CASH USED IN INVESTING ACTIVITIES	(288,634,679)	(691,045,901)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Loans repaid/Availed	-	(21,593,499)
Interest paid	-	(235,805)
Dividend and taxes paid thereon	-	-
NET CASH USED IN FINANCING ACTIVITIES	-	(21,829,304)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	25,632,094	(331,270,289)
Cash and cash equivalents - opening balance	819,585	332,089,874
Cash and cash equivalents - closing balance	26,451,679	819,585
Notes:		
1. Cash and bank balances as per Schedule 8	30,928,413	29,309,014
Less: Term deposits with maturity more than 3 months	(4,476,734)	(28,489,429)
Cash and cash equivalents as per the cash flow statement	26,451,679	819,585

- Figures in brackets represent outflows
- For notes to accounts refer Schedule 16

Per our report attached of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

C.R. Rajagopal
Partner

Pramod Unde
Whole-time Director

Sushil Gupta
Director

Rahul Tibrewal
Company Secretary

Place: Goa
Dated: 21st April, 2011

Place: Goa
Dated: 21st April, 2011

Schedules Annexed to and Forming Part of the Balance Sheet

Schedule 1 : Share Capital

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹	₹	₹	₹
Authorised				
1,150,000 (Previous year 1,150,000) equity shares of ₹ 100/- each		115,000,000		115,000,000
Issued and Subscribed				
1,150,000 (Previous year 1,150,000) equity shares of ₹ 100/- each		115,000,000		115,000,000
Total		115,000,000		115,000,000

Notes:

- All the above equity shares are held by Sesa Resources Limited, the holding Company and a subsidiary of Sesa Goa Limited; Vedanta Resources Plc being the ultimate holding Company.
- Out of the above equity shares, 25,636 equity shares of ₹ 100/- each were allotted as fully paid up Bonus shares by way of capitalisation of General Reserve.

Schedule 2 : Reserves and Surplus

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹	₹	₹	₹
Capital Reserve		6,635,190		6,635,190
General Reserve				
As per last balance sheet		36,000,000		36,000,000
Profit and loss account - Surplus				
As per annexed account		1,084,792,188		944,293,411
Total		1,127,427,378		986,928,601

Schedule 3 : Deferred Tax

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹	₹	₹	₹
Deferred tax liabilities				
on temporary timing differences				
- in respect of depreciation allowance		489,886		-
Deferred tax assets				
- in respect of depreciation allowance		-		11,456,047
- in respect of compensated absences		7,962,468		5,554,982
- in respect of provision for slow/non-moving inventory		-		1,861,364
- in respect of mine closure expenses		3,110,185		11,072,653
Net deferred tax asset		10,582,767		20,183,188

SESA MINING CORPORATION LIMITED

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Schedules Annexed to and Forming Part of the Balance Sheet (continued)

Schedule 4 : Fixed Assets

Particulars	Original Cost				Depreciation / Amortisation				Net Value	
	Opening as at	Additions	Deductions	Closing as at	Opening as at	For the Year	On	Upto	As at	As at
	1st April, 2010			31st March, 2011	1st April, 2010		Deductions	31st March, 2011	31st March, 2011	31st March, 2010
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets										
Land Plots (Note)	100,206,571	300,338,923	-	400,545,494	6,000	338,281		344,281	400,201,213	100,200,571
Roads and Bunders	22,700,322	-	-	22,700,322	10,851,568	538,828		11,390,396	11,309,926	11,848,754
Buildings	22,281,749	2,456,659	-	24,738,408	12,087,711	347,166		12,434,877	12,303,531	10,194,038
Plant and Machinery	533,295,284	200,530,009	-	733,825,293	468,959,961	23,030,252		491,990,213	241,835,080	64,335,323
Vehicles	24,781,492	5,811,576	307,720	30,285,348	15,024,048	2,488,167	264,802	17,247,413	13,037,935	9,757,444
Furniture and Fittings	952,511	2,346,543	-	3,299,054	747,528	658,441		1,405,969	1,893,085	204,983
TOTAL	704,217,929	511,483,710	307,720	1,215,393,919	507,676,816	27,401,135	264,802	534,813,149	680,580,770	
Previous year	714,000,227	26,829,862	36,612,160	704,217,929	516,572,575	25,385,202	34,280,961	507,676,816		196,541,113
Capital Work-in-Progress									141,257,239	38,156,506
Capital Advances									266,015,817	30,405,842
Grand Total									1,087,853,826	265,103,461

Notes:

- Land Plots include under Perpetual Lease ₹ 15,513,670 (Previous year ₹ 6,000)
- During the year the following reclassification has been carried out in the opening block of assets:

Asset Block	Original Cost	Accumulated Depreciation
Plant & Machinery	900,793	717,141
Furniture and Fittings	(900,793)	(717,141)

Schedule 5 : Investments

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹	₹	₹	₹
Long-term Investments (at cost less provision for diminution):				
Non-trade, quoted shares: (Fully paid up)				
Current Investment (at lower of cost and market value)				
Non-trade, unquoted (Fully paid up):				
In Mutual Funds				
Nil (Previous year 21,369,004) units of ₹ 10 each Birla Saving Fund Institutional - Growth	-		373,545,156	
Nil (Previous year 13,507,210) units of ₹ 10 each HDFC Treasury Advantage Plan - growth	-		272,665,950	
50,000 (Previous year 50,000) units of ₹ 10 each Principal PNB Term Equity Fund 3 plan series II Growth Plan	-		500,000	
7,722,494 (Previous year Nil) units of ₹ 15 each BSI Cash Plus - Instl Premium - Growth	121,206,861		-	
		121,206,861		646,711,106
Non-Trade, Unquoted shares: (Fully paid up)				
In Co-operative Societies:				
276 (Previous year 276) equity share of ₹ 10/- each in Dempo Mining Corporation Staff Consumers Co-operative Society Ltd.	2,760		2,760	
400 (Previous year 400) equity share of ₹ 10/- each in Dempo Mining Corporation Employees Co-Operative Credit Society Ltd.	4,000		4,000	
		6,760		6,760
Total		121,213,621		646,717,866



Schedule 5 : Investments (continued)

Notes:

1. Aggregate amount of mutual fund investment at net asset value	121,206,861	646,764,861
2. Aggregate amount of unquoted investment at cost [including mutual funds ₹ 121,206,861 (Previous year ₹ 646,711,206)]	121,213,621	646,717,866
3. Mutual Fund units purchased and sold during the year		

	No. of Units	Purchase cost ₹
a) Birla Sun Life Cash Plus Instl Prem - Daily Dividend	13,951,667	150,710,097
b) HDFC Cash Mgmt Fund - Saving Plan	564,164	6,000,677
c) HDFC Mutual Fund - HDFC Cash Management Fund - Treasury	27,640,913	277,278,819
d) BSL Saving Fund - Daily Div.Reinvestment	40,559,455	405,870,356
e) HDFC Floating Rate Income Fund - STP - Div Reinvestment	763,226	7,694,000

Schedule 6 : Inventories

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹	₹	₹	₹
Stocks of (at lower of cost and net realisable value):				
Finished goods - Iron ore		183,878,169		209,930,481
Consumables stores and spares		47,893,512		23,680,705
Total		231,771,681		233,611,186

Schedule 7 : Sundry Debtors

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹	₹	₹	₹
Debts outstanding for a period exceeding six months		-		-
Other debts, unsecured and considered good (due from Sesa Goa Limited)		40,641,539		44,580,174
Total		40,641,539		44,580,174

Schedule 8 : Cash and Bank Balances

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹	₹	₹	₹
Cash in hand		23,787		10,981
Balances with scheduled banks:				
On current account		26,427,892		808,604
On deposit account		4,476,734		28,489,429
Total		30,904,626		29,298,033
Total		30,928,413		29,309,014

SESA MINING CORPORATION LIMITED

154 **Schedules Annexed to and Forming Part of the Balance Sheet
(continued)****Schedule 9 : Loans and Advances**

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹	₹	₹	₹
Unsecured considered good unless otherwise stated				
Advances recoverable in cash or in kind or for value to be received:				
Loans and advances to staff		115,517,643		60,814,137
Prepaid expenses		4,469,606		4,578,201
Advance tax (net of provision for tax ₹ 219,499,268) (Previous year ₹ 1,635,657)		20,218,823		16,586,423
Deposits		3,547,947		24,105,630
Total		229,000		229,000
		143,983,019		106,313,391

Schedule 10 : Current Liabilities

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹	₹	₹	₹
Sundry creditors				
(i) Due to micro and small enterprises (Refer Note No. 4 of Schedule 16)		-		-
(ii) Due to others		279,901,596		227,084,577
		279,901,596		227,084,577
Advances from customers		105,099,405		-
Other liabilities		15,548,636		5,989,638
Total		400,549,637		233,074,215

Schedule 11 : Provisions

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹	₹	₹	₹
Compensated absences		24,062,890		13,930,715
Total		24,062,890		13,930,715



Schedules Annexed to and Forming Part of the Profit and Loss Account

Schedule 12 : Miscellaneous Income

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	₹	₹	₹	₹
Interest on bank deposits [Tax deducted at source ₹ 400,296 (Previous year ₹ 135,466)]	2,022,362		3,570,135	
Interest others	304,250		316,058	
		2,326,612		3,886,193
Dividends (non-trade)				
On current investments	5,970,960		2,336,106	
On long-term investments	-	5,970,960	1,664	2,337,770
Profit on sale of current investments (net)		535,132		16,564,523
Profit on sale of assets (net)		116,965		233,253
Excess provisions written back		4,211,130		7,114,712
Other receipts		9,246,833		859,852
Total		22,407,632		30,996,303

Schedule 13 : Production and Operational Expenses

Particulars	Year ended 31st March, 2011		Year ended 31st March, 2010	
	₹	₹	₹	₹
Increase/decrease in stock of ore				
Opening stock	209,930,481		426,007,501	
Less: Closing stock	183,878,169		209,930,481	
		26,052,312		216,077,020
Consumption of stores		194,993,062		147,381,205
Personnel (Refer Note No. 10 of Schedule 16)				
Salaries, wages, bonus and allowances	196,805,009		145,486,332	
Contributions to provident and other funds	11,516,000		9,759,664	
Contributions to gratuity and annuity funds	8,110,590		403,898	
Staff welfare expenses	13,132,751		13,463,222	
		229,564,350		169,113,117
Repairs and maintenance				
Plant machinery	116,573,931		87,712,584	
Buildings	10,060,453		6,125,123	
Others	2,888,771		591,817	
		129,523,155		94,429,524
Contractors for hired trucks and other services		434,725,851		297,604,993
Rent		6,887,824		3,049,491
Royalty and cess		387,435,640		236,991,442
Rates and taxes		5,098,921		3,063,790
Insurance		4,060,569		2,420,129
Electricity and water charges		23,088,315		21,598,114
Printing and stationery		2,195,131		607,596
Travelling and representation expenses		12,680,648		3,630,172
General expenses		51,977,687		27,407,510
Difference in exchange rate (net)		1,511,570		1,346
Provision for mine closure expenses		5,639,928		3,946,093
Total		1,515,434,963		1,227,321,540

SESA MINING CORPORATION LIMITED

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Schedules Annexed to and Forming Part of the Profit and Loss Account (continued)

Schedule 14 : Administration Expenses

Particulars	Year ended 31st March, 2011		Year ended 31st March, 2010	
	₹	₹	₹	₹
Personnel (Refer Note No. 10 of Schedule 16)				
Salaries, wages, bonus, allowances and commission	20,853,579		9,176,651	
Contributions to provident and other funds	220,625		196,803	
Contributions to gratuity and annuity funds	203,638		-	
Staff welfare expenses	561,941		90,839	
		21,839,783		9,464,293
Printing and stationery		52,425		39,457
Postage, telephone, cables and telex charges		38,403		59,361
Fees to auditors				
Statutory audit fees	679,448		154,420	
Other certification fees	533,852		783,130	
Reimbursement of expenses	16,796		54,574	
		1,230,096		992,124
Sitting fees and commission to non-wholetime directors		-		10,000
Travelling and representation expenses		730,179		-
Professional and legal charges		13,468,287		2,960,445
Maintenance of vehicles		93,547		16,927
Donations and contributions		12,673,586		711,873
Bad debts/advances/deposits written off		48,027		1,251,049
Assets written off		-		25,131
Miscellaneous expenses		41,585		180,161
Total		50,215,918		15,710,821

Schedule 15 : Interest and Other Charges

Particulars	Year ended 31st March, 2011		Year ended 31st March, 2010	
	₹	₹	₹	₹
Interest others		-		235,805
Other charges		1,193,937		27,430
Total		1,193,937		263,235



Notes Forming Part of the Accounts For the Year Ended 31st March, 2011

Schedule 16:

1. Significant Accounting Policies:

i) Basis of accounting

The financial statements are prepared as a going concern under historical cost convention on an accrual basis and comply in all material respects with the Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 1956.

ii) Use of estimates

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and the disclosure of 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 periods in which the results are known /materialise.

iii) Revenue recognition

Revenue is recognized when significant risks and rewards of ownership of the goods sold are transferred to the customer and the commodity has been delivered to the shipping agent/customer. Revenue represents the invoice value of goods and services provided to third parties net of discounts, volume rebates, outgoing sales taxes and duties. In cases where the terms of the executed sales agreement allow for an adjustment to the sales price based on a survey of the goods by the customer (for instance an assay for mineral content), recognition of the sales revenue is based on the most recently determined estimate of product specifications.

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

Dividend income is recognised when the shareholders' right to receive payment is established by the balance sheet date. Interest income is recognised on a time proportion basis in the Profit and Loss Account.

iv) Tangible Fixed assets

Fixed assets are stated at historical cost (exclusive of available Central and State VAT credit) less accumulated depreciation/amortisation and impairment loss. Costs include expenses incidental to the installation of assets, attributable borrowing and financing costs. Borrowing costs include foreign currency translation differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest costs.

v) Assets in the course of construction

Assets in the course of construction are reflected as Capital work-in-progress. At the point when an asset is operating at management's intended use the cost of construction (net of income earned during the construction period) is transferred to the appropriate category of fixed assets.

vi) Intangible fixed assets

Intangible fixed assets other than goodwill are recognised if such assets are identifiable non-monetary assets, they represent resources controlled by the Company as a result of past events, such assets are held for use through which future economic benefits are expected to flow to the Company and their costs can be reasonably measured. Goodwill arising on a business acquisition is recognised to the extent of the excess of the amount paid over the fair value of the net assets acquired. Intangible fixed assets are stated at cost less amortisation and impairment loss if any.

SESA MINING CORPORATION LIMITED

158 **Notes Forming Part of the Accounts**
For the Year Ended 31st March, 2011 (Continued)**SCHEDULE 16: (continued)****vii) Depreciation and amortisation**

Depreciation except as indicated below is provided for using the Straight Line Method (SLM) at the rates specified under Schedule XIV of the Companies Act, 1956.

- a) vehicles, furniture and computers are depreciated at the annual rate of 20%, 10% and 30% respectively;
- b) individual items of assets costing upto ₹ 5,000 are wholly depreciated in the year of acquisition.

Depreciation has been 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 upto the month prior to the date of sale.

viii) Impairment of assets

The carrying amounts of tangible 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 Profit and Loss Account.

ix) Investments

Long-term investments are stated at cost less provision for diminution. Provision for diminution is made to recognise decline (other than temporary) in the value of investments, if any. Current investments are stated at cost or fair value, whichever is lower.

x) Inventories

- a) Stock of iron ore is valued at lower of cost and net realisable value. Material cost of finished goods is determined on a weighted average basis. Net realisable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.
- b) Consumable stores and spares are valued at cost determined on the basis of weighted average method.

xi) Foreign currency transactions

- a) Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction.
- b) Foreign currency monetary assets and liabilities denominated are translated at year end exchange rates.
- c) Exchange difference arising on settlement of transactions and translation of monetary items are recognized as income or expense in the Profit and Loss account

xii) Borrowings costs:

Borrowing Cost attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the date when such assets are ready for intended use. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate is determined as the weighted average of the borrowing costs applicable to the borrowings of the enterprise that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. All other costs are charged to Profit and Loss Account.



xiii) Employee benefits

a) Short-term

Short-term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

b) Long-term

Provident fund: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions as specified under the law are paid to the provident fund and pension fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return or pension and recognises such contributions and shortfall, if any, as an expense in the year incurred.

Gratuity Fund: The Company accounts for the net present value of its obligations for gratuity to employees based on an independent external actuarial valuation carried out annually and determined using the projected unit credit method. The Company makes annual contributions to funds administered by trustees and managed by insurance Company for amounts notified by the said insurance Company. Actuarial gains and losses are immediately recognised in the Profit and Loss Account.

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

c) Compensated Absences

The liability in respect of compensated absences for employees is determined on the basis of an independent actuarial valuation carried out at the year end.

xiv) Provisions, contingent liabilities and contingent assets

A provision is recognised only 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.

xv) Segment reporting

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

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 is carried at nominal amounts and in accordance with enacted tax regulations, rates or in the case of deferred taxes those that have been substantially enacted.

SESA MINING CORPORATION LIMITED

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Notes Forming Part of the Accounts For the Year Ended 31st March, 2011 (Continued)

SCHEDULE 16: (continued)

Deferred tax resulting from 'timing differences' between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is reasonable certainty backed by convincing evidence that asset will be realised in future.

2. Contingent liabilities:

	As at 31st March, 2011 (₹)	As at 31st March, 2010 (₹)
i) Guarantees issued by the bankers in favour of various parties (other than those issued towards mine closure expenses)	35,979,144	7,735,512
ii) Goa Welfare Cess on transportation under the Goa Rural Development and Welfare Cess Act, 2000 (Goa Act 29 of 2000)	156,941,542	114,430,162
iii) Letters of credit opened by the banks in favour of suppliers.	80,31,480	-
iv) Settlements with certain labour/staff segment linked with Trade Union for the period commencing from 1st September, 2010, pending resolution	Not ascertainable	-
v) Disputed income tax demands	*116,053	-

The Company does not expect any liability to devolve in respect of the claims listed in (i) to (v) above and therefore no provision has been held in the accounts.

*The claims if finally determined as payable will be reimbursed by the erstwhile shareholders pursuant to share purchase agreement dtd. 11.06.2009

3. Estimated amount of contracts remaining to be executed on capital account and not provided for aggregated ₹ 319,898,712 (Previous year ₹ 166,302,947).
4. The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium, Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at year end together with interest paid/payable under this Act have not been given.
5. **Managerial Remuneration**

i) Remuneration to directors

	2010-2011 (₹)	2009-2010 (₹)
Salaries, allowances and bonus	12,132,567	3,548,815
Commission	-	177,500
Contributions to provident and other funds #	589,269	517,185
Other benefits (leave encashment)	278,228	671,846
Total	13,000,064	4,915,346

Excluding contribution to gratuity fund and encashable leave as separate valuation for the same is not available.

ii) Computation of net profit under Section 309(5) read with Section 349 of the Companies Act, 1956

	2010-2011 (₹)	2009-2010 (₹)
Profit before taxes	210,463,541	170,746,326
Add: Directors sitting fees	-	10,000
Less: Profit on sale / redemption of investments	535,132	16,564,523
Profit on sale of assets	116,965	233,253



	2010-2011 (₹)	2009-2010 (₹)
Profit under section 349	209,811,444	153,958,550
Add: Directors remuneration	13,000,064	4,915,346
Profit under Section 198	222,811,508	158,873,896
Commission payable to Managing director @ 1 %	-	1,588,739
Commission payable Managing director restricted to 50% of Salary	-	177,500

6. Quantitative information

i) Details on capacity and production

Licensed and installed capacity – Not applicable being a mining Company.

i) Details of opening stock, purchases, sales and closing stock of finished goods:

Class of products	2010-11		2009-10	
	Quantity in Metric tons	Value (₹)	Quantity in Metric tons	Value (₹)
Iron Ore				
Opening Stock	463,115	209,930,481	1,191,097	426,007,501
Production - Note	2,082,788	-	1,773,164	-
Sales	2,125,570	1,782,301,862	2,501,147	1,408,430,821
Closing Stock	420,333	183,878,169	463,115	209,930,481

Note: Net of processing and handling loss on ore handled and processed/ reprocessed during the year.

7. CIF value of imports

Particulars	2010-11 (₹)	2009-10 (₹)
Capital goods	166,101,271	-

8. Derivative transactions:

Unhedged foreign currency exposures

Amount payable in foreign currency on account of following:

Particulars	2010-11		2009-10	
	₹	Foreign Currency	₹	Foreign Currency
Import of capital goods	703,238	USD 15,750	-	-

9. Research and development expenditure of ₹ Nil (Previous year ₹ 2,77,590) has been charged to Profit and Loss Account under specific heads of accounts.

10. Employee benefits:

i) Defined Contribution Plans:

The Company offers its employees benefits under defined contribution plans in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund and superannuation fund cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory/fiduciary type arrangements. While both the employees and the Company pay

SESA MINING CORPORATION LIMITED

162 Notes Forming Part of the Accounts For the Year Ended 31st March, 2011 (Continued)

SCHEDULE 16: (continued)

predetermined contributions into the provident fund and pension fund, the contribution to the annuity fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

A sum of ₹ 14,847,639 (Previous year ₹ 10,360,365) has been charged to the profit and loss account in this respect, the components of which are tabulated below:

Contribution to defined contribution plans	2010-11	2009-10
	(₹)	(₹)
Provident fund and family pension fund	11,736,625	9,956,467
Superannuation fund	3,111,014	403,898
Total	14,847,639	10,360,365

ii) **Defined Benefit Plans:**

The Company offers its employee's defined benefit plans in the form of a gratuity scheme. Gratuity Scheme covers all employees as statutorily required under Payment of Gratuity Act 1972. The Company has constituted a trust recognised by Income Tax authorities for gratuity to employees. The Company contributes funds to Life Insurance Corporation of India and HDFC. Commitments are actuarially determined at the year end. The actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the profit and loss account under the head 'Personnel costs'.

a) *Movement in the present value of defined benefit obligation*

	2010-11	2009-10
	(₹)	(₹)
Obligation at the beginning of the year	43,534,286	47,003,498
Current service cost	2,593,752	2,919,055
Interest cost	3,482,743	3,623,508
Actuarial (gains) and losses	3,478,012	(6,793,538)
Benefits paid	(6,617,724)	(3,218,237)
Obligation at the end of the year	46,471,069	43,534,286

b) *Movement in the fair value of plan assets*

	2010-11	2009-10
	(₹)	(₹)
Fair value at the beginning of the year	57,649,299	54,687,514
Expected return on the plan assets	4,351,293	4,246,272
Actuarial gains and (losses)	-	1,933,750
Benefits paid	(6,617,724)	(3,218,237)
Fair value at the end of the year	55,382,868	57,649,299

c) *Amount recognised in the Balance Sheet*

	As at 31st March 11	As at 31st March 10
	(₹)	(₹)
Present value of the obligation at the end of the year	46,471,069	43,534,286
Fair value of the plan assets at the end of the year	55,382,868	57,649,299
Unfunded status/(Excess of funding over obligation)	(8,911,799)	(14,115,013)
Net liability/(asset) recognised in the Balance Sheet	(8,911,799)	(14,115,013)

d) *Expense/Income recognised in the Profit and Loss Account*

	2010-11	2009-10
	(₹)	(₹)
Current service cost	2,593,752	2,919,055
Interest cost	3,482,743	3,623,508
Expected return on plan assets	(4,351,293)	(4,246,272)
Actuarial gains and (losses)	3,478,012	(8,727,288)
Total expense/income recognised in the Profit and Loss Account	5,203,214	(6,430,997)

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

e) *Actual return on plan assets*

	2010-11	2009-10
	(₹)	(₹)
Expected return on plan assets	4,351,293	4,246,272
Actuarial gains and (losses)	-	1,933,750
Actual return on plan assets	4,351,293	6,180,022

f) *Actuarial assumptions*

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

	2010-11	2009-10
	(₹)	(₹)
Discount rates	8%	8.25%
Expected return on plan assets	8%	8%
Salary escalations	5%	5%
Withdrawal rates	1%-3%	2%
Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

The estimates of future salary increases considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is actuarially determined.

g) *Experience adjustment*

	2010-11	2009-10	2008-09
	(₹)	(₹)	(₹)
Present value of the obligation	46,471,069	43,534,286	47,003,498
Fair value of plan assets	55,382,868	57,649,299	54,687,514
Surplus/(deficit) in the plan	8,911,799	14,115,013	7,684,016
Experience adjustment on plan liabilities	(2,506,333)	(4,582,388)	5,614,090
Experience adjustment on plan assets	(4,925,086)	1,933,750	1,898,301

SESA MINING CORPORATION LIMITED

164 Notes Forming Part of the Accounts

For the Year Ended 31st March, 2011 (Continued)

SCHEDULE 16: (continued)**11. Related party disclosures**

i) Names of related parties and their relationship

Sr. No.	Name of the related party and relationship
a)	<i>Holding Companies</i> Sesa Resources Ltd. (Formerly known as V.S. Dempo & Company Pvt. Ltd.) – Holding Company Sesa Goa Limited – Holding Company of Sesa Resources Ltd. Finsider International Company Limited – Holding Company of Sesa Goa Limited Richter Holding Limited – Holding Company of Finsider International Company Limited Westglobe Limited – Holding Company of Finsider International Company Limited Vedanta Resources Plc – Ultimate Holding Company
b)	<i>Fellow subsidiaries with whom transactions have taken place</i> Sterlite Industries (India) Limited Hindustan Zinc Limited
c)	<i>Key Management Personnel</i> Mr. Pramod Unde-Whole-time Director

ii) Transactions with the related parties

	Holding Companies	Fellow Subsidiaries	Key Management Personnel
a) <i>Purchase of goods, services and other expenditure</i>			
Purchases of goods	922,764 (6,229,947)	- (-)	- (-)
Purchases of services	- (-)	16,94,390 (792,870)	- (-)
Remuneration/sitting fees	- (-)	- (-)	13,000,064 (4,915,346)
b) <i>Sale of goods, services & other income</i>			
Sales of goods (including taxes thereon)	1,794,558,834 (1,410,254,359)	- (-)	- (-)
c) <i>In respect of revenue transactions:</i>			
Receivables	40,641,539 (44,161,282)	- (-)	- (-)
Payables	103,654,487 (525,673)	1,850,573 (1,239,218)	- (-)
d) <i>Collaterals taken</i>	87,616,023 (12,181,961)	- (-)	- (-)

Note: Figures in brackets relate to previous year.

iii) Details of significant transactions with related parties referred to ii) above

Nature of the transaction	Name of related party	2010-11 (₹)	2009-10 (₹)
a) <i>Purchase of goods, services and other expenditure</i>			
Purchase of goods & other services	Sesa Goa Ltd.	922,764	2,313,585
Purchase of services	Sterlite Industries India Ltd.	1,680,198	792,870
Remuneration/sitting fees	Mr. Pramod Unde	13,000,064	4,104,200
b) <i>Sale of goods, services & other income</i>			
Sale of goods (Including taxes thereon)	Sesa Resources Ltd.	1,537,162,418	1,410,254,359
	Sesa Goa Limited	257,396,416	-



Nature of the transaction	Name of related party	2010-11 (₹)	2009-10 (₹)
c) <i>In respect of revenue transactions:</i>			
Receivables/(Payables)	Sesa Resources Ltd.	(103,654,487)	44,161,282
	Sesa Goa Ltd.	40,641,539	(525,673)
	Sterlite Industries India Ltd.	(1,850,573)	(1,239,218)
e) <i>Collaterals taken:</i>	Sesa Resources Ltd.	87,616,023	12,181,961

12. Earnings per share

		2010-11	2009-10
a) Profit after tax	₹	140,498,777	122,963,813
b) Weighted average number of shares for Basic EPS	Nos.	1,150,000	1,150,000
c) Nominal value per equity share	₹	100	100
d) Basic Earnings Per Share	₹	122.17	106.93

13. Disclosures relating to Provisions:

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 31st March, 2011 is as under:

Nature of obligation	2010-11 (₹)	2009-10 (₹)
Mines Closure Provision		
Opening carrying amount	3,946,093	3,736,888
Additional provisions made during the year	5,639,928	209,205
Amounts used during the year	-	-
Unused amounts reversed during the year	-	-
Closing carrying amount	9,586,021	3,946,093

14. "Other Current assets" comprises of interest accrued on term deposits.

15. Previous year's figures have been regrouped and rearranged wherever necessary to conform to current year's classification.

For and on behalf of the Board of Directors

Pramod Unde
Whole-time Director

Sushil Gupta
Director

Rahul Tibrewal
Company Secretary

Place: Panaji-Goa
Dated : 21st April, 2011

SESA MINING CORPORATION LIMITED

166 **Balance Sheet Abstract and Company's General Business Profile**

I) Registration Details	
Registration No.	G/91
State Code	24
Balance Sheet Date	31.03.2011
II) Capital Rose during the year:	(₹ in '000s)
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
III) Position of Mobilization and Deployment of Funds:	(₹ in '000s)
Total Liabilities	1242427
Total Assets	1242427
Sources of Funds:	
Paid-up Capital	115000
Reserves and Surplus	1127427
Secured Loans	NIL
Unsecured Loans	NIL
Application of Funds:	
Net Fixed Assets	1087854
Investments	121214
Net Current Assets	22777
Accumulated Losses	NIL
Deferred Tax Asset	10583
IV) Performance of Company:	(₹ in '000s)
Turnover	1804709
Total Expenditure	1594246
Profit before Tax	210464
Profit after Tax	140499
Earnings per Share (in ₹)	122
Dividend rate (%)	NIL
V) Generic Names of Principal Products/Services of Company (As per monetary terms)	
Item Code No. (ITC Code)	26011100
Product Description	Iron Ore

For and on behalf of the Board of Directors

Pramod Unde
Whole-time Directors

Sushil Gupta
Director

Rahul Tibrewal
Company Secretary

Place: Panaji-Goa
Dated : 21st April, 2011