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## Corporate Information

**Registered office:**

**VS Dempo & Company Limited**

Sesa Ghor,  
20 EDC Complex,  
Patto, Panaji,  
Goa - 403 001

**Directors:**

D. D. Jalan

P. K. Mukherjee

A. K. Rai

Sushil Gupta

P. Unde

**Secretary:**

Not Applicable

**Auditors:**

M/s. Deloitte Haskins & Sells  
Chartered Accountants  
Chennai

**Bankers:**

Bank Of India

**Mining and other establishments:**

In the state of Goa

# Directors' Report

To the members,

The **FORTY FOURTH ANNUAL REPORT** of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March 2010 is presented herewith.

Your Company is a wholly owned subsidiary of Sesa Goa Limited consequent to the acquisition of its shareholding since 11th June 2009, post the acquisition by Sesa Goa Limited through a definitive share purchase agreement signed between Sesa Goa Limited and your Company.

## 1. Financial Results:

	2009-10 (Rs. In lakh)	2008-09 (Rs. In lakh)
<b>Profit before Depreciation &amp; Taxes</b>	<b>74848.46</b>	36327.60
Less: a) Depreciation	1005.35	1042.99
b) Provision for Taxes		
Current Tax	25011.00	12101.00
Deferred Tax	193.64	15.20
Fringe Benefit Tax	-	90.00
Prior Years	(687.00)	401.05
<b>Profit after Tax</b>	<b>2552.99</b>	13650.24
Add: Surplus brought forward from previous year	49325.47	22677.36
Transfer from Investment Fluctuation Reserve	12412.86	22688.18
<b>Amount available for appropriation</b>	<b>61738.33</b>	45365.55
Less: Appropriations :		
a) Interim Dividend	-	26200.00
b) Corporate Dividend Tax	-	4452.69
c) General Reserve	-	2300.00
<b>Balance Carried Forward</b>	<b>61738.33</b>	12412.86

## 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, 2010.

## 3. Business Performance and Outlook:

VS Dempo recorded all time high quarterly sales and production. Annual sales volume increased by 8% from 4.37 million tonnes in 2008-09 to 4.73 million tonnes in 2009-10. While levels remained below what was attained in the pre-economic slowdown days, sales realisation also increased steadily over the course of 2009-10. The combination of sales volume and improved realisation helped propel your Company's performance in 2009-10.

During 2009-10, there were some external developments that affected VS Dempo's operations. Government of India (GoI) changed the basis of royalty-charges on iron ore to ad-valorem (10%) basis from specific duty being levied earlier. This change in duty was effective from 13th August 2009. Also, in December 2009, the export duty for iron ore lumps was increased from 5% to 10% along with the introduction of export duty on iron ore fines by 5%. Despite, these adversities increasing the Company's cost base, the Company was able to double its profits from Rs.227 crore in 2008-09 to Rs.493 crore in 2009-10. It was mainly driven by higher volumes, operational efficiencies and increased prices.

### Outlook

However, the Company believes that China and India are well on the recovery path. There are no indications of any sharp reduction in steel production or iron ore imports in China. In fact, in the near future iron ore prices are expected to increase and remain firm. Your Company will continue to focus on minimising costs and aggressively pushing volumes to customers and increase its share in the global iron ore trade. The Company remains cautiously optimistic about its prospects in 2010-11.

## Directors' Report continued

### ISO Certification

All the certificates under ISO: 9001-2000, ISO: 14001-2004 for Quality Management & Environment Management respectively, are being maintained by the Company.

### 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. P.K. Mukherjee, Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. The Board of Directors, at its meeting held on 20th October, 2009, appointed Mr. Pramod Unde as Additional Director of the Company. He ceases to hold office at the ensuing Annual General Meeting in terms of Section 260 of the Companies Act, 1956 but being eligible offers 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.

### 6. Subsidiary Company

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

### 7. Awards

Post acquisition by Sesa Goa in June 2009 the operations of the Company's businesses are being integrated with that of Sesa Goa. Consequently, the Company has contributed to several awards received by Sesa.

### 8. Safety

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

Particulars	2009-10	2008-09
FSI	1.542	-

### 9. 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 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 31 March, 2010 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,

### 10. Particulars of employees

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 is annexed to this Report.

### 11. Compliance Certificate

The Compliance Certificate issued by Mr Sadashiv. V. Shet, Company Secretary, in terms of section 383A of Companies Act, 1956 is annexed here to and forms part of this Directors' Report.

### 12. 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, VS Dempo recognizes and appreciates the cooperation and support from its holding Company Sesa Goa.

For and on behalf of the Board of Directors

**P.K. Mukherjee**  
Director

**Sushil Gupta**  
Director

Place: Panaji, Goa  
Dated : 19th April 2010

## 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 31 March 2010.

### (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:

#### 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.

##### 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

	2009-10 (Rs. in crore)	2008-09 (Rs. in crore)
a) Capital	NIL	NIL
b) Recurring (revenue)	0.2	NIL
c) Total	0.2	NIL
d) Total R & D expenditure as a Percentage of total turnover	0.02%	0.00%

#### 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 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 Rs.1173.60 crore and outgo (including dividend remittance) Rs. 47.13 crore (details are given in Schedule 18). Hence, the net foreign exchange earning was Rs.1,126.47 crore.

For and on behalf of the Board of Directors

**P.K. Mukherjee**  
Director

**Sushil Gupta**  
Director

Place: Panaji, Goa  
Dated : 19th April 2010

## 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, 2010

Sr.No.	Name of the Employee	Designation/ Nature of Duties	Gross Remuneration (Rs. in Lakh)	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
<b>(A) Employed throughout the financial year - NIL</b>								
<b>(B) Employed for part of the financial year</b>								
1	Dempo Shrinivas V.	Chairman & Managing Director	24.49	M.Com, MBA( Fin.Management & Ind.Adm.USA )	18	01-06-1992	41	NA

\*NA- Not Applicable.

Notes:

- 1 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
- 2 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.
- 3 The nature of Employment is Contractual.

For and on behalf of the Board of Directors

**P.K.Mukherjee**  
Director

**Sushil Gupta**  
Director

Place: Panaji, Goa  
Dated : 19th April 2010

## Annexure-C To Directors' Report

### Compliance Certificate

REGISTRATION NO.: U13209GA1965PTC000030

Authorized Capital: Rs.1495 lacs

Paid – up Capital: Rs. 125 lacs

TO,  
THE MEMBERS  
V. S. DEMPO & COMPANY LIMITED

I have examined the registers, records, books and papers of V. S. DEMPO & COMPANY LIMITED as required to be maintained under the Companies Act, 1956 and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents I certify that in respect of the aforesaid financial year,

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, within the time prescribed under the Act and the rules made thereunder.
3. The Company has been acquired on 11th June 2009 by a Public Limited Company viz Sesa Goa Limited and by virtue of amended section 43(A) of the Companies Act, 1956, it has become a Public Limited Company. However due to technical difficulties faced and acknowledged by MCA all e-forms since 11th June, 2009 could not be uploaded.
4. The Board of Directors duly met Six times on 1st June 2009, 11th June 2009, 29th July 2009, 20th October 2009, 18th January 2010, and 25th March 2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.
5. The Company was not required to close its Register of Members or Debenture holders during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 25/09/2009 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to Under Section 295 of the Act.
9. The Company had transactions attracting Section 297 of the Companies Act, 1956, for which the prior approval was not obtained and the company has filed the compounding applications with the concerned authorities and order for the same is awaited.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The Company has not issued any duplicate share certificates during the financial year.

13. The Company has
  - a. delivered all the certificates on lodgment thereof for transfer of shares. However, there was no allotment during the financial year.
  - b. declared interim dividend for the financial year 2008-09 on 1st June 2009
  - c. paid interim dividend for the financial year 2008-09 on 10th June 2009 without opening a separate bank account and which is within a period of 30 days from the date of declaration.
  - d. is not required to transfer the amounts in unpaid dividend account as the entire dividend as declared were paid.
  - e. The Company has duly complied with requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of additional directors were made. However Form No.32 in respect of these appointments were filed by the company, which has not been taken on record due to technical difficulties faced and acknowledged by MCA.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during financial year.
16. The Company has not appointed any sole – selling agents during the financial year.
17. The Company has filed the Compounding Application with the Regional Director, Western Region- Mumbai in respect of transactions attracting provisions of Section 297 of the Companies Act, 1956.
18. The Directors have disclosed their interest in other Firms / Companies to the Board of Directors pursuant to the provisions of the Act and rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of Preference Shares or Debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to Dividend, Rights Shares and Bonus Shares pending of transfer registration of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Companies Act, 1956 during the financial year.
24. The company has not made any borrowings during the financial year ended 31st March, 2010.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the Share Capital of the Company during the year under scrutiny.

## Annexure-C To Directors' Report continued

30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. As per the provisions of Section 418 of the Companies Act, 1956, the Company has constituted Provident Fund Trust for its employees

**Sadashiv V. Shet**  
Company Secretary

C. P. NO. 2540

Place: Panaji-Goa.  
Date: 16-04-2010

### Annexure A

Registers as maintained by the Company

1. Board of Directors Meeting and General Meeting under Section 193
2. Statutory Register
  - Register of Charges u/s 143
  - Register of Members u/s 150
  - Register of Contracts u/s 301
  - Register of Directors u/s 303
  - Register of Directors Shareholding u/s 307

### Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ended 31st March, 2010.

Sr.No.	Documents	Section	Particulars	Filing Details	
				Receipt	Date
1.	Form No. 32	260	Appointment & Cessation of Directors	A63760334	18-06-09
2.	Form No. 32	260	Directors Appointment	A68420394	09-09-09
3.	Form No. 22B	187(C)(4)	Beneficial Interest	A62992532	05-06-09
4.	Form No.23	192	Registration of Special Resolution	A61588968	13-05-09
5.	Form 32	383(A)	Cessation of Company Secretary	A61233292	07-05-09

# Auditors' Report

## To the members of V. S. Dempo and Company Limited

1. We have audited the attached Balance Sheet of **V. S. DEMPO AND COMPANY LIMITED** ("the Company") as at 31st March, 2010, 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) 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 CARO.
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, 2010;
    - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended 31st March, 2010; and
    - (iii) in the case of the Cash Flow Statement of the cash flows for the year ended 31st March, 2010.
5. On the basis of written representations received from the directors as on 31st March, 2010, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 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 : 19th April 2010

## Annexure to the Auditors' Report (Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result, clauses (xiii) and (xiv) of CARO are not applicable.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) 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.
- (v) 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.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except for purchases of Iron Ore from Dempo Mining Corporation Limited. The Company purchases for exports, from its wholly owned subsidiary Company, Dempo Mining Corporation Limited, its entire production of Iron Ore under a long term bilateral agreement, for which corresponding market rates for similar purchases are not ascertainable.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (viii) 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.
- (ix) 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.
- (x) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
  - (c) There were no disputed dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2010.
- (xi) 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.

- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders
- (xiii) In our opinion, the Company has maintained adequate records where it has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion and according to the information and explanations given to us, the terms and conditions of guarantee given by the Company, for the loans taken by wholly owned subsidiary from banks during the year are not prima facie prejudicial to the interest of the Company.
- (xv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
- (xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xvii) In our opinion and according to the information and explanations given to us, 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.
- (xviii) In our opinion and according to the information and explanations given to us and records examined by us, the Company has not issued any debentures that were outstanding at any time during the year.
- (xix) According to the information and explanations given to us and the records examined by us, the Company has not raised money by public issues during the year.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For Deloitte Haskins & Sells**

Chartered Accountants  
(Registration No. 008072S)

**C.R. Rajagopal**

Partner  
(Membership No.23418)

Place: Panaji, Goa

Dated : 19th April 2010

# Balance Sheet

## As at 31st March 2010

Particulars	Sch No.	As at 31st March 2010		As at 31st March 2009	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
Shareholders' funds					
Share capital	1	12,500,000		12,500,000	
Reserves and surplus	2	6,403,833,159		1,471,285,565	
			6,416,333,159		1,483,785,565
Loan funds					
Secured loans	3	347,578,000		1,811,480,965	
Unsecured loans		-		-	
			347,578,000		1,811,480,965
Deferred tax liability	4		39,335,340		19,971,373
<b>Total</b>			<b>6,803,246,499</b>		<b>3,315,237,903</b>
<b>APPLICATION OF FUNDS</b>					
Fixed assets	5				
Gross block		2,190,021,327		1,920,667,303	
Less: Depreciation		1,301,477,793		1,235,269,140	
Net Block		888,543,534		685,398,163	
Capital work-in-progress			34,123,710		179,454,562
			922,667,244		864,852,725
Investments	6		6,068,702,045		810,302,407
Current assets, loans and advances					
Inventories	7	366,795,467		644,403,827	
Sundry debtors	8	393,345,072		1,621,634,287	
Cash and bank balances	9	15,017,533		1,404,263,510	
Other current assets		112,245		16,420,752	
Loans and advances	10	216,182,458		891,121,445	
		991,452,775		4,577,843,821	
Less: Current liabilities and provisions					
Current liabilities	11	889,449,896		1,900,953,934	
Provisions	12	290,125,669		1,036,807,116	
		1,179,575,565		2,937,761,050	
Net current assets			(188,122,790)		1,640,082,771
<b>Total</b>			<b>6,803,246,499</b>		<b>3,315,237,903</b>
Notes to accounts	18				

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

**P.K. Mukherjee**  
Director

**Sushil Gupta**  
Director

Place: Goa  
Dated: 19th April 2010

Place: Panaji-Goa  
Dated: 19th April 2010

# Profit and Loss Account

## For the year ended 31st March 2010

Particulars	Sch No.	Year ended 31st March 2010		Year ended 31st March 2009	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Sales of ore		13,208,633,828		11,659,052,207	
Less: Ocean freight		1,702,247,449		1,929,446,525	
		11,506,386,379		9,729,605,682	
Hire of ship and transhipper		217,900,264		15,594,290	
Services and other proceeds	13	260,294,330		3,817,221	
Miscellaneous income	14	151,023,300		99,465,038	
			12,135,604,273		9,848,482,231
<b>EXPENDITURE</b>					
Production and operational expenses	15	4,548,083,435		5,980,528,804	
Administration expenses	16	80,922,820		147,765,910	
Interest and other charges	17	21,751,851		87,427,165	
Depreciation		100,534,965		104,299,192	
			4,751,293,071		6,320,021,071
Profit before tax			7,384,311,202		3,528,461,160
Less: Provision for taxation					
Current tax			2,501,100,000		1,210,100,000
Deferred tax			19,363,965		1,519,744
Fringe benefit tax			-		9,000,000
Prior year taxes			(68,700,357)		40,105,001
Profit after taxes			4,932,547,594		2,267,736,415
Balance brought forward			1,241,285,565		2,268,818,150
			6,173,833,159		4,536,554,565
<b>APPROPRIATIONS</b>					
Interim dividend		-		2,620,000,000	
Dividend tax		-		445,269,000	
General reserve		-		230,000,000	
			-		3,295,269,000
Surplus carried to reserves and surplus			6,173,833,159		1,241,285,565
Earnings per share – basic and diluted (Refer note No. 15 of Schedule 18)			3,946.04		1,814.19
Nominal value per share			10		10
Notes to accounts	18				

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

**P.K. Mukherjee**  
Director

**Sushil Gupta**  
Director

Place: Goa  
Dated: 19th April 2010

Place: Panaji – Goa  
Dated: 19th April 2010

# Schedules Annexed to and Forming Part of the Balance Sheet

## Schedule 1: Share capital

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
<b>Authorised</b>				
14,950,000 equity shares of Rs. 10/- each (Previous year 14,950,000 equity shares of Rs. 10/- each)		149,500,000		149,500,000
<b>Issued and Subscribed</b>				
1,250,000 equity shares of Rs. 10/- each (Previous year 1,250,000 equity shares of Rs. 10/- each)		12,500,000		12,500,000
<b>Total</b>		12,500,000		12,500,000

### Notes:

- Out of the above equity shares 750,000 shares of Rs. 10 each were held up to 11th June 2009 by Esmeralda Investments Private Limited, the holding company.
- Pursuant to a Share Purchase Agreement dated 11th June 2009 between the shareholders of the Company and Sesa Goa Limited, the entire 1,250,000 equity shares of Rs. 10 each have been purchased by Sesa Goa Limited. Consequently with effect from 11th June 2009 Sesa Goa Limited is the holding company and Vedanta Resources Plc, the ultimate holding company.

## Schedule 2: Reserves and surplus

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
<b>General reserve</b>				
As per last balance sheet	230,000,000		1,657,892,579	
Add: Transfer from profit and loss account	-		230,000,000	
Less: Adjustment arising on Demerger as per the Scheme of arrangement	-		(1,657,892,579)	
		230,000,000		230,000,000
<b>Profit and loss account – Surplus</b>				
As per annexed account	6,173,833,159			1,241,285,565
<b>Total</b>		6,403,833,159		1,471,285,565

## Schedule 3: Secured loans

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
<b>From banks</b>				
<b>Term loans</b>				
(Secured by a charge on vessel M.V. Goan Pride)		252,784,000		356,650,000
Amount due within a year Rs. 63,196,000 (previous year Rs. 71,330,000)				
<b>Export Credits</b>				
(Secured by Stock of Iron Ore and Export Bills)		-		1,179,700,965
<b>From Others</b>				
<b>Term Loan</b>		94,794,000		275,130,000
(Secured by future export proceeds)				
Amount due within a year Rs. Nil (previous year Rs. 168,135,000)				
<b>Total</b>		347,578,000		1,811,480,965

## Schedule 4: Deferred tax

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
<b>Deferred tax liabilities</b>				
on temporary timing differences				
– in respect of depreciation allowance	60,080,632		34,609,394	
– in respect of gratuity	–	60,080,632	1,742,751	36,352,145
<b>Deferred tax assets</b>				16,633,838
– in respect of leave encashment and bonus	5,678,202			–
– in respect of others	6,243,627		6,441,314	
– in respect of provision for doubtful debts	8,823,463	20,745,292	9,939,458	16,380,772
<b>Net deferred tax liability</b>		<b>39,335,340</b>		<b>19,971,373</b>

## Schedule 5: Fixed assets

	Original Cost			Depreciation/Amortisation				Net Value		
	Opening as at 1st April, 2009 Rs.	Additions Rs.	Deductions Rs.	Closing as at 31st March 2010 Rs.	Up to 31st March 2009 Rs.	For the Year Rs.	On Deductions Rs.	Up to 31st March 2010 Rs.	As at 31st March 2010 Rs.	As at 31st March 2009 Rs.
<b>Tangible Assets</b>										
1 Land plots	55,470,673	1,098,100	–	56,568,773	–	–	–	–	56,568,773	55,470,673
2 Road and Bunders	4,631,089	–	–	4,631,089	2,881,174	208,678	–	3,089,852	1,541,237	1,749,915
3 Buildings	34,647,656	15,476,838	646,730	49,477,764	4,434,994	930,036	462,891	4,902,139	44,575,625	30,212,662
4 Plant and Machinery	1,064,499,861	280,098,143	30,878,993	1,313,719,011	875,793,897	56,898,505	29,669,938	903,022,464	410,696,547	188,705,964
5 Vehcles	18,703,257	2,469,239	4,606,653	16,565,843	10,604,159	2,162,471	3,382,928	9,383,702	7,182,141	8,099,098
6 Riverfleet	95,028,225	–	–	95,028,225	79,924,735	3,420,270	–	83,345,005	11,683,220	15,103,490
7 Ship <sup>1</sup>	639,671,871	–	–	639,671,871	257,082,395	35,962,672	–	293,045,067	346,626,804	382,589,476
8 Furniture and Fittings	8,014,671	7,522,210	1,178,129	14,358,751	4,547,786	952,333	810,555	4,689,564	9,669,188	3,466,885
<b>Total</b>	<b>1,920,667,303</b>	<b>306,664,530</b>	<b>37,310,505</b>	<b>2,190,021,327</b>	<b>1,235,269,140</b>	<b>100,534,965</b>	<b>34,326,312</b>	<b>1,301,477,793</b>	<b>888,543,535</b>	<b>685,398,163</b>
Previous year	1,899,604,434	122,220,136	101,157,267	1,920,667,303	1,179,952,278	104,299,192	48,982,330	1,235,269,140	685,398,163	719,652,156
<b>Capital Work-in-Progress</b>										
Constructions in progress									26,479,460	170,725,270
Capital advances									7,644,250	8,729,292
<b>Total</b>									<b>34,123,710</b>	<b>179,454,562</b>

## Note:

# Represents 50% undivided interest in a transhipper vessel named "Goan Pride".

## Schedules Annexed to and Forming Part of the Balance Sheet continued

### Schedule 6: Investments

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Current Investment (at lower of cost and market value) Non-trade, unquoted (fully paid up):				
In Mutual Funds				
70,000,000 (Previous year Nil) units of Rs. 10 each Birla Interval Income Fund-Quarterly Series 1 Dividend Payout	700,000,000		-	
22,326,736 (Previous year Nil) units of Rs. 10 each Birla Saving Fund Instl – Growth Option	390,241,153			
Nil (Previous year 846,754) units of Rs. 10 each DSP BlackRock Government Securities Fund – Plan A – Dividend	-		10,000,000	
40,178,890 (Previous year Nil) units of Rs. 10 each HDFC Cash Management Fund Treasury Advantage Plan – Wholesale Growth	810,948,268		-	
24,278,229 (Previous year nil) units of Rs. 10 each ICICI Prudential Ultra Short Term Plan Super Premium Growth	250,820,812		-	
3,984,002 (Previous year Nil) units of Rs. 10 each ICICI Prudential Flexible Income Plan Premium Growth	682,197,814		-	
39,781,153 (Previous year Nil) units of Rs. 10 each Reliance Medium Term Fund Retail Plan Growth Option	758,948,824		-	
40,000,000 (Previous year Nil) units of Rs. 10 each Religare Fixed Maturity plan Series II Plan A (13 Months) Growth	400,000,000		-	
50,000,000 (Previous year Nil) units of Rs. 10 each Religare Fixed Maturity Plan Series II Plan B (15 Months) Growth	500,000,000		-	
12,001,164 (Previous year Nil) units of Rs. 10 each Kotak Floter Long Term Growth	175,342,767		-	
60,000,000 (Previous year Nil) units of Rs. 10 each Kotak Quarterly Interval Plan Series 3-Dividend	600,000,000	5,268,499,638	-	10,000,000
<b>Long-term Investments (at cost less provision for diminution): Non-Trade, fully paid equity shares (Unquoted shares):</b>				
In Subsidiary companies:				
1,150,000 (Previous year 1,150,000) equity shares of Rs. 100/- each in Dempo Mining Corporation Private Limited	800,097,407		800,097,407	
Nil (Previous year 10,000) equity shares of Rs. 10/- each in Sindhudurg Mining Corporation Private Limited	-		100,000	

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
In Other companies:				
5,000 (Previous year 5,000) equity shares of Rs. 10/- each in Goa Infrastructural Development Company Private Limited	50,000		50,000	
5,000 (Previous year 5,000) equity shares of Rs. 10/- each in Goa Maritime Private Limited	50,000		50,000	
In Co-operative Societies				
250 (Previous year 250) equity shares of Rs. 10/- each in V.S.Dempo Surla Mine Staff Co-operative Credit Society Limited	2,500		2,500	
250 (Previous year 250) equity shares of Rs. 10/- each in V.S.Dempo Surla Mine Staff Consumer Co-operative Society Limited	2,500	800,202,407	2,500	800,302,407
<b>Total</b>		<b>6,068,702,045</b>		<b>810,302,407</b>

## Notes

- Aggregate amount of mutual fund investments at net asset value 5,277,971,891 9,483,734
- Aggregate amount of unquoted investments at cost [including mutual funds Rs. 5,268,499,638 (Previous year Rs. 10,000,000)] 6,068,702,045 810,302,407
- Details of mutual funds purchased and sold during the year

Name of the fund	Units	Amount Rs.
Birla Sun Life Cash Plus Instl daily dividend reinvestment	37,481,833	390,043,717
Birla Sun Life Saving Fund Instl daily dividend reinvestment	20,007,908	200,215,136
HDFC Cash Management Fund -Savings Plan Daily – Dividend Re-investment	746,932,920	7,944,677,313
HDFC Cash Management Fund – Treasury Advantage Plan – Wholesale – Daily – Dividend Re-investment	772,180,501	7,746,128,694
ICICI Prudential Liquid Super Institutional Plan Daily Dividend Reinvestment	16,308,454	1,631,205,837
ICICI Prudential Ultra Short-Term Plan Super Premium Daily Dividend	25,029,519	250,820,812
ICICI Prudential Flexible Income Plan Premium Daily Dividend Reinvestment	9,762,121	1,032,197,814
Kotak Liquid (Institution Premium) Daily Dividend	9,814,276	120,009,951
Kotak Floter Long-Term Daily dividend	15,907,336	160,342,767
Reliance Liquidity Fund Daily Dividend Reinvestment option	153,718,963	1,537,671,562
Reliance Medum-Term Fund Daily Dividend Plan	69,559,172	1,189,148,824

## Schedule 7: Inventories

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Stocks of (at lower of cost and net realisable value):				
Finished goods – Iron ore	309,632,562		551,956,909	
Consumables stores and spares	57,162,905		92,446,918	
<b>Total</b>		<b>366,795,467</b>		<b>644,403,827</b>

## Schedules Annexed to and Forming Part of the Balance Sheet continued

### Schedule 8: Sundry debtors

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Debts outstanding for a period exceeding six months				
Unsecured and considered good	7,304,084		4,507,425	
Considered doubtful	26,562,694		26,562,694	
		33,866,778		31,070,119
Other debts, unsecured and considered good		386,040,988		1,617,126,862
		419,907,766		1,648,196,982
Less: Provision for doubtful debts		26,562,694		26,562,694
<b>Total</b>		<b>393,345,072</b>		<b>1,621,634,287</b>

### Schedule 9: Cash and bank balances

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Cash in hand [including cheques and demand drafts on hand Rs. 1,890,599 (Previous year Rs. 8,630,771)]		1,917,166		10,967,240
Balances with scheduled banks:				
On current account	4,110,110		27,213,396	
On deposit account [Including on lien Rs. 8,548,562 (previous year Rs. 46,157,140)]	8,548,562		1,339,914,210	
On EEFC account	441,695		26,168,664	
		13,100,367		1,393,296,270
<b>Total</b>		<b>15,017,533</b>		<b>1,404,263,510</b>

### Schedule 10: Loans and advances

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Unsecured considered good unless otherwise stated				
Advances recoverable in cash or in kind or for value to be received		153,846,375		155,711,678
Loans to subsidiaries		-		540,673,000
Loans and advances to staff		2,839,313		3,159,766
Prepaid expenses		44,204,100		21,912,614
Advance tax net of provision for Tax [Net of provision for tax Rs. Nil (Previous year Rs. 2,763,117,473)]		-		136,145,668
Deposits		4,060,238		30,847,347
Balances with port trusts, customs, excise authorities etc.		11,232,432		2,671,372
<b>Total</b>		<b>216,182,458</b>		<b>891,121,445</b>

**Schedule 11: Current liabilities**

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Sundry creditors				
(i) Due to micro and small enterprises (Refer Note No. 5 Schedule 18)	-		-	
(ii) Due to others*	822,770,307	822,770,307	1,014,134,375	1,014,134,375
Subsidiary company		44,161,282		-
Advances from customers		776,331		1,205,257
Other liabilities		21,643,496		19,654,973
Book overdrafts		-		865,413,094
Interest accrued but not due		98,480		546,235
<b>Total</b>		<b>889,449,896</b>		<b>1,900,953,934</b>

\* Includes Rs. Nil due to the directors (Previous year Rs. 4,200,000)

**Schedule 12: Provisions**

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Provision for taxation (net of advance tax Rs. 3,456,201,818 (Previous year Rs. Nil)		275,398,182		-
Interim dividend		-		870,000,000
Provision for tax on interim dividend		-		147,856,500
Compensated absences		14,727,487		18,950,616
<b>Total</b>		<b>290,125,669</b>		<b>1,036,807,116</b>

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

### Schedule 13: Services and other proceeds

Particulars	Year ended 31st March 2010		Year ended 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Barge and Jetty hire charges [Tax deducted at source Rs. 317,178 (Previous year Rs. Nil)]		12,935,127		239,846
Shipping Agency Fees [Tax deducted at source Rs. 106,826 (Previous year Rs. Nil)]		761,510		3,577,375
Difference in rate of exchange (net)		246,597,693		-
<b>Total</b>		<b>260,294,330</b>		<b>3,817,221</b>

### Schedule 14: Miscellaneous income

Particulars	Year ended 31st March 2010		Year ended 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Interest on bank deposits [Tax deducted at source Rs. 5,014,714 (Previous year Rs. 7,810,698)]	12,768,979		46,995,660	
Interest others	22,163,758	34,932,737	98,365	47,094,025
Dividends (non-trade)				
On current investments	42,599,356		13,249,064	
On long-term investments	300		200	
Profit on sale of current investments (net)		42,599,656		13,249,264
Profit on sale of assets (net)		765,878		7,943,012
Other receipts [Tax deducted at source Rs. 5,096,217 (Previous year Rs. 1,261,232)]		57,751,174		19,104,314
Excess provisions written back		14,973,855		2,550,686
Provision for doubtful debts written back		-		9,434,639
<b>Total</b>		<b>151,023,300</b>		<b>99,465,038</b>

## Schedule 15: Production and operational expenses

Particulars	Year ended 31st March 2010		Year ended 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Increase/decrease in stock of ore, finished goods and work-in-progress				
Opening stock				
Iron ore	551,956,909		879,077,408	
Less: Closing stock				
Iron ore	309,632,562		551,956,909	
		242,324,347		327,120,499
Consumption of stores		171,496,753		172,683,333
Purchase of ore		1,430,487,861		1,611,140,143
Personnel (Refer Note No. 13 of Schedule 18)				
Salaries, wages, bonus and allowances	167,668,324		187,528,475	
Contributions to provident and other funds	8,918,251		9,888,877	
Contributions to gratuity and Superannuation funds	1,067,092		12,347,769	
Staff welfare expenses	15,269,069		63,495,104	
		192,922,736		273,260,225
Repairs and maintenance				
Plant machinery	74,155,044		40,490,463	
Buildings	3,048,679		1,541,532	
Others	102,600,100		269,986,526	
		179,803,823		312,018,521
Contractors for hired trucks and other services	552,994,565		608,856,022	
Hire charges of barges	274,571,637		234,445,014	
Wharfage, tonnage, handling and shipping expenses	334,344,871		238,300,586	
Rents	8,268,847		8,751,198	
Export duty	388,304,306		258,785,752	
Royalty and cess	250,856,597		15,538,950	
Rates and taxes	7,316,196		14,932,963	
Insurance	17,215,356		15,787,091	
Electricity and water charges	28,365,281		26,562,643	
Demurrage over despatch	224,815,575		74,987,039	
Commission and service charges on sales	55,564,357		109,409,473	
Analysis of ore	23,160,856		42,059,313	
Printing and stationery	652,346		642,392	
Travelling and representation expenses	5,376,960		17,920,753	
Maintenance of vehicles	59,131		59,958	
General expenses	47,107,110		67,772,842	
Difference in exchange rate (net)	-		102,820,026	
Loss on cancellation of forward contracts (net)	105,549,525		1,200,195,278	
Loss on marked to market of options	-		246,478,790	
Provision for mine closure expenses	6,524,399		-	
<b>Total</b>		<b>4,548,083,435</b>		<b>5,980,528,804</b>

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

### Schedule 16: Administration expenses

Particulars	Year ended 31st March 2010		Year ended 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Personnel (Refer Note No. 13 of Schedule 18)				
Salaries, wages, bonus, allowances and commission	26,279,861		16,573,747	
Contributions to provident and other funds	1,220,077		1,105,109	
Staff welfare expenses	2,957,586		6,073,533	
		30,457,524		23,752,389
Printing and stationery		693,895		1,241,937
Postage, telephone, cables and telex charges		2,543,849		2,229,440
Fees to Auditors				
Statutory audit fees	2,492,780		1,313,040	
Other certification fees	1,312,570		-	
Reimbursement of expenses	316,012		-	
		4,121,362		1,313,040
Sitting fees and commission to non wholetime directors		10,000		50,000
Travelling and representation expenses		943,592		7,086,640
Professional and legal charges		21,429,969		28,979,547
Maintenance of vehicles		276,403		967,890
Donations and contributions		10,449,294		33,836,048
Bad debts/advances/deposits written off		3,446,894		20,052,570
Provision for Doubtful Debts/Advances		-		26,562,694
Assets written off		1,258,335		-
Miscellaneous expenses		5,236,246		1,693,715
Loss on sale of Investments (net)		55,457		-
<b>Total</b>		<b>80,922,820</b>		<b>147,765,910</b>

### Schedule 17: Interest and other charges

Particulars	Year ended 31st March 2010		Year ended 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Interest:				
On fixed period loans	11,764,853		25,911,569	
On others	7,124,333		55,531,713	
		18,889,186		81,443,282
Other charges		2,862,665		5,983,883
<b>Total</b>		<b>21,751,851</b>		<b>87,427,165</b>

# Notes Forming Part of the Accounts

## For the year ended 31st March 2010

### Schedule 18:

#### 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 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, 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.

##### 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 calculated for the remaining life of the assets reckoned from 1st June 2009. Hitherto, the depreciation was calculated on written down value method at the rates prescribed under same statute.

- a) vehicles, furniture and computers are depreciated at an annual rate of 20%, 10% and 30% respectively.
- b) individual items of assets costing Up to Rs. 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 Up to the month prior to the date of sale.

##### viii) Impairment of assets

The carrying amounts of fixed assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is recognised in the profit and loss account where the carrying amount of an asset exceeds its recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

##### 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.

## Notes Forming Part of the Accounts continued

### For the year ended 31st March 2010

#### Schedule 18: continued

- c) Exchange difference arising on settlement of transactions and translation of monetary items are recognised 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 up to 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.

The Company also contributes to a government administered provident fund in respect of its crew members of the Transfer Vessel, which is also charged to the Profit and loss account.

*Gratuity Fund:* The Company accounts for the net present value of its obligations for gratuity to employees (other than crew members of the Company's Transfer Vessel) 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.

Provision for gratuity to the crew members is made on a reasonable estimate basis as actuarial valuation of the liability is not possible.

*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) Foreign currency forward contracts

The Company enters into forward derivative financial instrument 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 Profit and Loss Account.

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 surpluses are recycled in the income statement in the periods when the hedged item is recognised in the Profit and Loss Account. 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 income statement 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 net profit or loss for the year.

#### xv) 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.

#### xvi) Segment reporting

The Company primarily operates in the business segment of mining and export 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.

**xvii) 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.

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. Acquisitions/disinvestments:**

Pursuant to the Share Purchase Agreement dated 11th June 2009 between the shareholders of the Company and Sesa Goa Limited, the entire shares of the Company have been purchased by Sesa Goa Limited. Consequently with effect from 11th June 2009, the Company has become a wholly owned subsidiary of Sesa Goa Limited and accordingly, a Public Limited Company. The consequent changes are in process and awaiting clearance from Registrar of Companies and Ministry of Corporate Affairs.

**3. Contingent liabilities:**

	As at 31 March 2010 (Rs.)	As at 31 March 09 (Rs.)
i) Guarantees issued by the bankers in favour of various parties	10,977,287	16,047,746
ii) Corporate guarantees given to banks and others on behalf of the wholly owned subsidiary	12,181,961	49,681,961
iii) Disputed marine claims*	135,738,577	138,223,864
iv) Disputed Income tax demands*	136,892,015	136,892,015
v) Bonds executed in favour of customs for import against duty credit certificate issued under Target Plus Scheme	76,125,000	76,125,000
vi) Settlements with certain labour/staff segment linked to different Trade Unions for the period commencing from 1st January 2007, pending for resolution with the central government	Not ascertainable	Not ascertainable
vii) Cess on transportation of ore, within Goa levied by govt. of Goa under the Goa rural development and welfare cess act, 2000 (Goa Act, 29 of 2000)	200,016,816	-

The Company does not expect any liability to devolve in respect of the claims listed in (i) to (vi) 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.

4. Estimated amount of contracts remaining to be executed on capital account and not provided for aggregated Rs. 63,836,094 (Previous year Rs. 193,847,009).
5. 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.

**6. Managerial Remuneration****i) Remuneration to directors\***

	2009-10 (Rs.)	2008-09 (Rs.)
Salary, allowances and bonus	1,538,327	7,800,000
Commission	591,667	3,000,000
Contribution to provident, superannuation and other funds <sup>1</sup>	319,500	1,620,000
Other benefits	-	115,264
<b>Total</b>	<b>2,449,494</b>	<b>12,535,264</b>

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

# Notes Forming Part of the Accounts continued

## For the year ended 31st March 2010

### Schedule 18: continued

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

	2009-10 (Rs.)	2008-09 (Rs.)
Profit before taxes	7,384,311,202	3,528,461,160
Add: Sitting fees	10,000	50,000
Loss of sale of investments	55,457	-
Less: Profit on sale/redemption of investments	-	7,943,012
Profit on sale of assets	765,878	89,098
Profit under section 349	7,383,610,781	3,520,479,050
Add: Directors remuneration	2,449,494	12,535,264
Profit under Section 198	7,386,060,275	3,533,014,314
- Commission payable to Managing director @ 1%	73,860,603	35,330,143
- Commission paid to Managing director	591,667	3,000,000

\* Paid for part of the year Up to the date of acquisition.

### 7. Quantitative information

#### i) Details on capacity and production

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

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

Class of products	2009-10		2008-09	
	Quantity in Metric tons	Value (Rs.)	Quantity in Metric tons	Value (Rs.)
<b>Iron Ore</b>				
Opening Stock	1,621,751	551,956,909	1,550,482	879,077,407
Production – Note 1	1,210,900	1,314,670,162	1,816,542	1,416,853,110
Purchases – Note 1	2,511,595	1,430,487,861	2,624,692	1,611,140,143
Sales	4,729,775	11,506,386,379	4,369,965	11,660,706,296
Closing Stock – Note 2	614,470	309,632,562	1,621,751	551,956,909

#### Notes:

- Net of processing and handling loss on ore handled and processed/reprocessed during the year.
- The closing stock of ore excludes 200,798 metric tones (Previous year 16,590 metric tones) received on loan basis.

### 8. CIF value of imports

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
Components and spare parts	29,233,692	15,057,766
Capital goods	119,678,216	-

### 9. Expenditure in foreign currency

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
Commission on sales	54,479,403	108,692,826
Supervision & testing fees	22,518,543	40,757,004
Demurrage	224,815,575	80,779,163
Interest and finance charges	11,764,853	30,321,289
Freight	1,457,688,487	735,475,016
Travelling expenses	1,258,083	4,889,378
Others (books & periodicals, subscriptions and others)	7,585,053	6,791,152
<b>Total</b>	<b>1,780,109,997</b>	<b>1,007,705,828</b>

**10. Earnings in foreign currency**

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
FOB value of exports	11,736,006,323	9,708,498,189
Despatch money	-	5,792,124
<b>Total</b>	<b>11,736,006,323</b>	<b>9,714,290,313</b>

**11. Donations and contributions include payment to the following political parties:**

Particulars	*2009-10 (Rs.)	2008-09 (Rs.)
- Bharatiya Janata Party	3,500,000	1,150,000
- Goa Pradesh Congress Committee	3,500,000	1,500,000
- Nationalist Congress Party	2,000,000	-
- Maharashtrawadi Gomantak Party	500,000	-
- Communist Party of India	500,000	-
- Shiv Sena	300,000	100,000
<b>Total</b>	<b>10,300,000</b>	<b>2,750,000</b>

\* Paid for part of the year up to the date of acquisition.

12. Research & development expenditure of Rs. 156,731 (previous year Rs. Nil) has been charged to Profit and Loss Account under specific heads of accounts.

**13. 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 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 Rs. 11,092,631 (Previous year Rs. 12,811,535) has been charged to the profit and loss account in this respect, the components of which are tabulated below:

Contribution to defined contribution plans	2009-10 (Rs.)	2008-09 (Rs.)
Provident fund and family pension fund	10,138,328	11,108,954
Superannuation fund	954,303	1,702,581
<b>Total</b>	<b>11,092,631</b>	<b>12,811,535</b>

**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. 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'.

## Notes Forming Part of the Accounts continued

### For the year ended 31st March 2010

#### Schedule 18: continued

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

	2009-10 (Rs.)	2008-09 (Rs.)
Obligation at the beginning of the year	54,378,583	52,505,997
Current service cost	3,280,214	3,370,634
Interest cost	4,177,362	4,014,837
Actuarial (gains) and losses	(11,250,206)	5,869,455
Benefits paid	3,921,274	11,382,340
Obligation at the end of the year	46,664,679	54,378,583

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

	2009-10 (Rs.)	2008-09 (Rs.)
Fair value at the beginning of the year	60,250,361	51,241,996
Expected return on the plan assets	4,663,178	4,194,938
Actuarial gains and (losses)	758,425	-
Employers' contribution	-	16,195,767
Benefits paid	3,921,274	11,382,340
Fair value at the end of the year	61,750,690	60,250,361

##### c) Amount recognised in the Balance Sheet

	As at 31st March 2010 (Rs.)	As at 31st March 2009 (Rs.)
Present value of the obligation at the end of the year	46,664,679	54,378,583
Fair value of the plan assets at the end of the year	61,750,690	60,250,361
Unfunded status/(Excess of funding over obligation)	(15,086,011)	(5,871,778)
Net liability/(asset) recognised in the Balance Sheet	(15,086,011)	(5,871,778)

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

	2009-10 (Rs.)	2008-09 (Rs.)
Current service cost	3,280,214	3,370,634
Interest cost	4,177,362	4,014,837
Expected return on plan assets	(4,663,178)	(4,939,727)
Actuarial (gains) and losses	(12,008,631)	6,614,246
Total expense/income recognised in the Profit and Loss Account	(9,214,233)	9,059,990

e) The plan assets of the Company are managed by the Life Insurance Corporation of India, 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.

##### f) Actual return on plan assets

	2009-10 (Rs.)	2008-09 (Rs.)
Expected return on plan assets	4,663,178	4,194,938
Actuarial gains and (losses)	758,425	-
Actual return on plan assets	5,421,603	4,194,938

**g) 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.

	2009-10 (Rs.)	2008-09 (Rs.)
Discount rates	8.25%	8.00%
Expected return on plan assets	8.00%	8.00%
Salary escalations	5.00%	5.00%
Withdrawal rates	2.00%	2.00%
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.

**h) Experience adjustment**

	2009-10 (Rs.)	2008-09 (Rs.)
Present value of the obligation	46,664,679	54,378,583
Fair value of plan assets	61,750,690	60,250,361
(Surplus)/deficit in the plan	(15,086,011)	(5,871,778)
Experience adjustment on plan liabilities (gain)	(9,078,496)	2,960,202
Experience adjustment on plan assets	758,425	(744,789)

i) The contributions expected to be made by the Company during the financial year 2010-11 are Rs. Nil.

# Notes Forming Part of the Accounts continued

## For the year ended 31st March 2010

### Schedule 18: continued

#### 14. Related party disclosures

##### i) Names of related parties and their relationship

Sr. No. Name of the related party and relationship

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##### a. Holding Companies

Esmeralda Investments Private Limited (ceased to be a holding company w.e.f 11-Jun-09)  
 Sesa Goa Limited (w.e.f 11-Jun-09) – Holding Company  
 Finsider International Company Limited (w.e.f 11-Jun-09) – Holding Company of Sesa Goa Limited  
 Richter Holding Limited (w.e.f 11-Jun-09) – Holding Company of Finsider International Company Limited  
 Westglobe Limited (w.e.f 11-Jun-09) – Holding Company of Finsider International Company Limited  
 Vedanta Resources Plc (w.e.f 11-Jun-09) – Ultimate Holding Company)

##### b. Subsidiaries

Dempo Mining Corporation Limited  
 Sindhudurg Mining Corporation Private Limited (ceased to be a subsidiary w.e.f 11-Jun-09)

##### c. Fellow subsidiaries with whom transactions have taken place

Aprant Iron & Steel Private Limited  
 Dempo Industries Private Limited  
 Dempo Brothers Private Limited  
 Marmagoa Shipping And Stevedoring Co. Pvt. Ltd.  
 Dempo Shipbuliding & Engineering Pvt. Ltd.  
 Indo Pacific Poly – Fibres Pvt. Ltd.  
 Dempo Travels Pvt. Ltd.  
 Dempo Shipyard Pvt. Ltd.  
 All the above have ceased to be fellow subsidiaries w.e.f 11-Jun-09  
 Sterlite Industries (India) Limited (w.e.f 11-Jun-09)  
 Hindustan Zinc Limited (w.e.f 11-Jun-09)  
 Sesa Industries Ltd (w.e.f 11-Jun-09)

##### d. Associates/Joint Ventures

Goa Maritime Private Limited  
 Goa Carbon Limited (ceased to be an associate w.e.f. 11-Jun-09)

##### e. Key Management Personnel

Mr. Srinivas Dempo – Managing Director (ceased to be a Managing director w.e.f. 11-Jun-09)

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## ii) Transactions with the related parties

	Holding Companies	Subsidiaries	Fellow Subsidiaries	Associates Rs.	Key Management Personnel
a. Purchase of goods, services and other expenditure					
Purchases of goods	336,795	1,410,254,359	21,924,654	-	-
	(-)	(1,472,614,431)	(62,796,762)	(-)	(-)
Purchases of services	262,043,547	-	8,403,415	89,072,122	-
	(7,025,555)	(-)	(65,750,004)	(101,213,181)	(-)
Remuneration/sitting fees	-	-	-	-	*2,449,494
	(-)	(-)	(-)	(-)	(12,635,354)
Apportionment of corporate expenses	-	-	-	50,000	(-)
	(-)	(-)	(3,485,637)	(450,000)	(-)
Others	-	-	117,585	-	-
	(-)	(-)	(-)	(-)	(-)
b. Sale of goods, services & other income					
Sales of goods	35,573,946	3,916,362	16,570,030	-	-
	(-)	(-)	(21,107,493)	(-)	(-)
Sale of services	230,936,137	-	308,472	2,559,635	-
	(-)	(1,681,971)	(3,014,851)	(192,100)	(-)
Others	-	-	-	-	-
	(-)	(-)	(1,486)	(1,576)	(-)
c. Finance given (including loans and equity)	-	-	-	5,985,000	-
	(-)	(131,035,000)	(384,077,203)	(2,660,000)	(-)
d. Finance taken (including loans and equity)	-	-	-	-	-
	(-)	(-)	(534,649,008)	(-)	(-)
e. In respect of revenue transactions:					
Receivables	137,818,297	-	1,957,579	-	-
	(-)	(7,707,773)	(5,625,394)	(2,559,635)	(-)
Payables	-	44,161,282	1,611,560	228,834	-
	(29,283,840)	(-)	(173,770)	(6,081,024)	(-)
f. In respect of other transactions:					
Receivables	(-)	(540,673,000)	(-)	(-)	(-)
Payables	(-)	(-)	(-)	(-)	(4,200,000)
g. Guarantees and collaterals/Securities given	-	12,181,961	-	-	-
	(-)	(49,681,961)	(-)	(-)	(-)

Note: Figures in brackets relate to previous year.

\* Paid for part of the year up to the date of acquisition.

## Notes Forming Part of the Accounts continued

### For the year ended 31st March 2010

#### Schedule 18: continued

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

Nature of the transaction	Name of related party	2009-10 (Rs.)	2008-09 (Rs.)
a. Purchase of goods, services and other expenditure			
Purchase of goods	Dempo Mining Corp. Ltd	1,410,254,359	1,472,614,431
Purchase of services	Dempo Shipbuilding Goa Maritime Pvt. Ltd. Esmeralda Sesa Goa Ltd	- 89,072,122 149,209,763 112,833,783	53,597,936 101,213,181 - -
Allocation of corporate expenses	Dempo Brothers Pvt. Ltd Goa Carbon Ltd.	- 50,000	3,485,637 450,000
Others	Hindustan Zinc Ltd.	117,585	
b. Sale of goods, services & other income			
Sale of goods	Aparant Iron & Steel Sesa Goa Ltd.	14,809,769 35,573,946	21,107,493 -
Sale of services	Dempo Mining Corp. Ltd Aparant Iron & Steel Sesa Goa Ltd.	- - 229,282,988	1,681,971 2,660,429 -
Other	Aparant Iron & Steel Hindustan Foods Ltd. Goa Carbon Ltd.	- - -	1,046 440 1,576
c. Finance given (including loans and equity)	Sindhudurg Mining Corp. Aparant Iron & Steel Goa Maritime Pvt.Ltd.	- - 5,985,000	131,035,000 350,000,000 -
d. Finance taken (including loans and equity)	Aparant Iron & Steel	-	442,700,000
e. In respect of revenue transactions:			
Receivables	Sesa Goa Ltd.	137,818,297	-
Payables	Goa Maritime Pvt.Ltd. Dempo Mining Corp Ltd.	- 44,161,282	6,056,024 -

#### 15. Earnings per share

		2009-10	2008-09
a) Profit after tax	Rs.	4,932,547,594	2,267,736,415
b) Weighted average number of shares for Basic EPS	Nos.	1,250,000	1,250,000
c) Nominal value per equity share	Rupees	10	10
d) Basic Earnings Per Share	Rupees	3,946.04	1,814.19

#### 16. 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 2010 is as under:

Nature of obligation	2009-10 (Rs.)	2008-09 (Rs.)
<b>Mines Closure Provision</b>		
Opening carrying amount	5,970,459	3,970,471
Additional provisions made during the year	553,940	1,999,988
Amounts used during the year	-	-
Unused amounts reversed during the year	-	-
Closing carrying amount	6,524,399	5,970,459

### 17. Derivative transactions:

The Company uses foreign currency forward contracts to hedge its exposure in foreign currency. The Company does not use the forward contracts for trading or speculative purposes, but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables. The information on derivative transactions is as follows:

#### i) Forward exchange contracts

Currency	2009-10				2008-09			
	Foreign Currency	Rs.	Buy/Sell	Cross Currency	Foreign Currency	Rs.	Buy/Sell	Cross Currency
USD	-	-	-	-	83,729,627		Sell	Indian Rupee

#### ii) Unhedged foreign currency exposures

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

##### a. Amount receivable in foreign currency on account of the following:

Particulars	2009-10		2008-09	
	Rs.	Foreign currency	Rs.	Foreign currency
Export of goods and services	217,384,716	USD 4,815,789	1,616,095,903	USD 31,719,252

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

Particulars	2009-10		2008-09	
	Rs.	Foreign currency	Rs.	Foreign currency
Import of Goods and service	696,388,707	USD 15,393,272 JPY 2,831,415 GBP 479 EUR 690	705,415,568	USD 11,412,228 JPY 39,021,183 AUD 20,000 EUR 5,206

Note: USD = US Dollar; JPY = Japanese Yen; GBP = Great Britain Pound; EUR = EURO.

18. "Other current assets" comprise of interest accrued on term deposits.

19. 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.

**P.K. Mukherjee**  
Director

**Sushil Gupta**  
Director

Place: Goa  
Dated: 19th April 2010

Place: Panaji – Goa  
Dated: 19th April 2010

# Balance Sheet Abstract and Company's General Business Profile

NAME OF THE COMPANY	V.S. DEMPO & CO. LTD.
<b>I REGISTRATION DETAILS</b>	
Registration No.	30/G
State Code	24
Balance Sheet Date	31/03/2010
<b>II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)</b>	
Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
<b>III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)</b>	
Total Liabilities	6,803,246
Total Assets	6,803,246
<b>Sources of Funds</b>	
Paid up Capital	12,500
Reserves & Surplus	6,403,833
Secured Loans	347,578
Unsecured Loans	Nil
Deferred Tax Liability	39,335
<b>Application of Funds</b>	
Net Fixed Assets	922,667
Investments	6,068,702
Net Current Assets	(188,122)
Accumulated Losses	Nil
<b>IV PERFORMANCE OF THE COMPANY (AMOUNT IN RS. THOUSANDS)</b>	
Turnover	1,213,560
Total Expenditure	4,751,293
Profit before Tax	7,384,311
Profit after tax	4,932,547
Earnings per share (Rs.)	3,946
Dividend Rate (%)	-
<b>V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY</b>	
(As per monetary terms)	
Item Code No. (ITC Code)	260111
Product Description	MINERAL ORES (IRON ORE)

For and on behalf of the Board of Directors.

**P.K. Mukherjee**  
Director

**Sushil Gupta**  
Director

Place: Panaji – Goa  
Dated: 19th April 2010

# Cash Flow Statement

## For the year ended 31st March 2010

Particulars	Year ended 31st March 2010 Rs.	Year ended 31st March 2009 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax	7,384,311,202	3,528,461,160
Adjustments for:		
Depreciation	100,534,965	104,299,192
Assets written off	1,258,335	-
Provision for doubtful debts	-	26,562,694
Interest/dividend (net)	(58,643,207)	21,220,828
(Profit)/loss on sale of assets	(765,878)	(89,098)
(Profit)/loss on redemption of investments	55,457	(7,943,012)
<b>Operating profit before working capital changes</b>	<b>7,426,750,874</b>	<b>3,672,511,765</b>
<b>Adjustments for:</b>		
Trade and other receivables	1,804,709,112	(1,170,719,439)
Inventories	277,608,361	315,767,792
Trade payables	(2,033,583,667)	918,506,931
<b>Cash generated from operations</b>	<b>7,475,484,680</b>	<b>3,736,067,049</b>
Taxes paid	(2,020,855,793)	(629,277,190)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>5,454,628,887</b>	<b>3,106,789,859</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(161,333,678)	(291,728,824)
Proceeds from sale of fixed assets	2,491,737	905,257
(Purchase)/redemption of current investments	(5,258,455,095)	(2,056,988)
Interest received	51,241,244	31,316,415
Dividend received	42,599,656	13,249,264
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(5,323,456,136)</b>	<b>(248,314,876)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Loans (repaid)/availed	(1,463,902,965)	427,060,684
Interest paid	(18,889,185)	(81,638,407)
Dividend and taxes paid thereon	-	(2,047,412,500)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(1,482,792,150)</b>	<b>(1,701,990,223)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,351,619,399)</b>	<b>1,156,484,760</b>
<b>Cash and cash equivalents – opening balance</b>	<b>1,358,088,370</b>	<b>276,494,550</b>
<b>Add: Cash &amp; Cash Equivalent of amalgamating companies</b>	<b>-</b>	<b>138,072,110</b>
<b>Less: Cash &amp; Cash Equivalent transferred on demerger</b>	<b>-</b>	<b>(212,963,051)</b>
Cash and cash equivalents – closing balance	6,468,971	1,358,088,370
Cash and bank balances as per Schedule 9	15,017,533	1,404,263,510
Less: Deposits pledged with banks considered separately	8,548,562	46,175,140
Cash and cash equivalents as per the cash flow statement	6,468,971	1,358,088,370

Figures in brackets represent outflows  
For notes to accounts refer schedule 18

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

**P.K. Mukherjee**  
Director

**Sushil Gupta**  
Director

Place: Goa  
Dated: 19th April 2010

Place: Panaji – Goa  
Dated: 19th April 2010

## Statement Regarding Subsidiary Companies

### As on 31st March 2010 pursuant to Section 212 of the Companies Act, 1956

Dempo Mining Corporation Ltd.

1	The Financial year of the Subsidiary Company ended on	31st March 2010
2	Total issued Capital of the Subsidiary Company at the end of the financial year of the Subsidiary Company	Rs. 115,000,000
3	Number of shares held by the Holding Company in the Subsidiary Company at the end of the financial year of the Subsidiary Company	1,150,000 Equity Shares of Rs. 100/-each, fully paid up
4	Change in the interest of the Holding Company between the end of the financial year of the Subsidiary Company and 31st March 2010	N.A.
5	The net aggregate amount of Profit/Loss of the Subsidiary Company so far as it concerns the members of V.S. Dempo & Co. Ltd.	
	a) Not dealt with in the Company's accounts for the year ended 31st March 2010 amounted to:	
	i) For the Subsidiary's financial year ended 1 above	Rs. 122,963,813 (Profit)
	ii) For the previous financial years of the Subsidiary Company	Rs. 178,867,381 (Profit)
	b) Dealt with in the Company's accounts for the year ended 31st March 2010 amounted to:	
	i) For the Subsidiary's financial year ended 1 above	NIL
	ii) For the previous financial years of the Subsidiary Company	NIL
6	Material Changes between the end of the financial year of the Subsidiary Company and 31st March 2010 in respect of Subsidiary's Fixed Assets, Investments, Money lent by them and Moneys borrowed by them for any purpose other than of meeting Current Liabilities	N.A.

For and on behalf of the Board of Directors.

**P.K. Mukherjee**  
Director

**Sushil Gupta**  
Director

Place: Panaji – Goa  
Dated: 19th April 2010

## Corporate Information

**Registered office:**

**Dempo Mining Corporation Limited - Subsidiary Company**

Sesa Ghor, 20 EDC Complex,

Patto, Panaji, Goa - 403 001

**Directors:**

D. D. Jalan

P. K. Mukherjee

A. K. Rai

Sushil Gupta

P. Unde

Wholetime Director

**Secretary:**

Rahul Tibrewal

**Auditors:**

M/s. Deloitte Haskins & Sells

Chartered Accountants

Chennai

**Bankers:**

Bank Of India

**Mining and other establishments:**

In the state of Goa



## DEMPO MINING CORPORATION LIMITED

# Directors' Report

To the Members,

The **FORTY FIRST ANNUAL REPORT** of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March 2010 is presented herewith.

## 1. Financial Results:

	2009-10 (Rs. in Lakhs)	2008-09 (Rs. in Lakhs)
Profit before Depreciation & Taxes	1961.31	3109.52
Less: Depreciation	253.85	267.03
Provision for Taxes		
Current Tax	515.36	1021.00
Deferred Tax	(37.19)	(6.25)
Fringe Benefit Tax	-	40.00
Tax relating to earlier years	(0.35)	(0.93)
Profit after Tax	1,229.64	1,788.67
Surplus/(Loss) Brought forward	8,213.30	6,424.62
Balance Carried forward	9,442.94	8,213.30

## 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 2010.

## 3. Performance and outlook

While there was a marginal drop in iron ore sales from Rs.147.3 crore in 2008-09 to Rs.140.8 crore in 2009-10, due to lower price realizations, profit after tax (PAT) reduced from Rs.17.9 crore in 2008-09 to Rs.12.3 crore in 2009-10.

During the year under review, the operations of the Company have been streamlined and integrated with that of Sesa Goa. The Company will continue to maintain these levels of operations and is fairly optimistic about contributing to Sesa Goa's growth plans in 2010-11.

## 4. Directors

Mr. P.K. Mukherjee, Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

Mr. Pramod Unde was appointed as an Additional Director and Wholetime Director of the Company, at the Board Meeting held on 20th October, 2009, effective from 1st November, 2009 for a period of three years, subject to the approval of the shareholders at the ensuing Annual General Meeting. Mr. Pramod Unde ceases to hold office at the ensuing Annual General Meeting, in terms of Section 260 of the Companies Act, 1956 but being eligible offers 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.

## 6. Awards

After being acquired by Sesa Goa in 2009-10, the operations of the Company's businesses are being integrated with that of Sesa Goa. Consequently, the Company has contributed to several awards received by Sesa.

## 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:

Particulars	2009-10	2008-09
FSI	0.101	-

DEMPO MINING CORPORATION LIMITED

## Directors' Report continued

### 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 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 31 March 2010 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. 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-9001:2000 and ISO-14001:2004 certifications.

### 10. 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 is annexed to this Report.

### 11. 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, Dempo Mining Corporation recognizes and appreciates the cooperation and support from its holding Company VS Dempo limited and its principal shareholders Sesa Goa.

For and on behalf of the Board of Directors

**Pramod Unde**

Whole Time Director

**Sushil Gupta**

Director

Place: Panaji, Goa

Dated : 19th April 2010

## 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 2010.

### (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:

#### 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.

During 2009-10, specifically, the Company invested in developing anti friction liner – 'UHMWPE Polyslick', along with its hardware to reduce choking in iron ore flow while processing.

##### 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:

	2009-10 (Rs. in crore)	2008-09 (Rs. in crore)
a) Capital	0.00	0.00
b) Recurring (revenue)	0.03	0.00
c) Total	0.03	0.00
d) Total R & D expenditure as a Percentage of total turnover	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

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

### (C) Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings and outgo during the year under review.

For and on behalf of the Board of Directors

**Pramod Unde**  
Whole Time Director

**Sushil Gupta**  
Director

Place: Panaji, Goa  
Dated : 19th April 2010

DEMPO MINING CORPORATION LIMITED

## 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, 2010

Sr.No.	Name of the Employee	Designation/ Nature of Duties	Gross Remuneration (Rs. 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
<b>(A) Employed throughout the financial year - NIL</b>								
<b>(B) Employed for part of the financial year</b>								
1	Dempo Soiru V.	Managing Director	8.11	B.A	40	01-11-1969	66	NA*
2	Pramod Unde	Whole Time Director	41.04	BE( Mechanical ), AMIE, ICWA( Inter )	28	03-08-2009	47	KCM, Zambia

\*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.
- Mr.Soiru V.Dempo is related to Mr.Shrinivas V Dempo, Chairman of the Company who resigned w.e.f 11th June, 2009.

For and on behalf of the Board of Directors

**Pramod Unde**  
Whole Time Director

**Sushil Gupta**  
Director

Place: Panaji  
Dated : 19th April 2010

# Auditors' Report

## To the members of Dempo Mining Corporation Limited

1. We have audited the attached Balance Sheet of DEMPO MINING CORPORATION LIMITED ("the Company") as at 31st March, 2010, 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) 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, 2010;
    - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended 31st March, 2010; and
    - (iii) in the case of the Cash Flow Statement of the cash flows for the year ended 31st March, 2010.
5. On the basis of written representations received from the directors as on 31st March, 2010, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 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 : 19th April 2010

DEMPO MINING CORPORATION LIMITED

## Annexure to the Auditors' Report (Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result, clauses (xiii) and (xiv) of CARO are not applicable.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) 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.
- (v) 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.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except for sales of Iron Ore to V.S. Dempo & Company Limited. The Company has sold the entire stock of finished goods of iron ore to its holding company, at agreed rates as per the long term bilateral agreement for which corresponding market rates for similar transactions are not ascertainable.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (viii) 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.
- (ix) 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.
- (x) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
  - (c) There were no disputed dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2010.
- (xi) 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.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.

## Annexure to the Auditors' Report continued (Referred to in paragraph 3 of our report of even date)

- (xiii) In our opinion, the Company has maintained adequate records where it has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not given guarantees, for the loans taken by others from banks or financial institutions during the year.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not availed any term loans during the year.
- (xvi) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that, funds raised on short term basis have, not been used during the year for long term investment.
- (xvii) 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.
- (xviii) 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.
- (xix) According to the information and explanations given to us, the Company has not raised any money by public issue during the year.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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

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

Place: Panaji, Goa  
Dated : 19th April 2010

## DEMPO MINING CORPORATION LIMITED

# Balance Sheet

## as at 31st March 2010

Particulars	Sch No.	As at 31st March 2010		As at 31st March 2009	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
Shareholders' funds					
Share capital	1	115,000,000		115,000,000	
Reserves and surplus	2	986,928,601		863,964,788	
			1,101,928,601		978,964,788
Loan funds					
Secured loans	3	-		21,593,499	
Unsecured loans		-		-	
					21,593,499
<b>Total</b>			<b>1,101,928,601</b>		<b>1,000,558,287</b>
<b>APPLICATION OF FUNDS</b>					
Fixed assets	5				
Gross block		704,217,929		714,000,227	
Less: Depreciation		507,676,816		516,572,575	
Net Block		196,541,113		197,427,652	
Capital work-in-progress			68,562,348		25,863,069
			265,103,461		223,290,721
Investments	6		646,717,866		2,294,520
Deferred tax Asset	4		20,183,188		16,464,361
Current assets, loans and advances					
Inventories	7	233,611,186		466,175,043	
Sundry debtors	8	44,580,174		193	
Cash and bank balances	9	29,309,014		360,511,587	
Other current assets		3,115,251		711,485	
Loans and advances	10	106,313,391		80,842,935	
		416,929,016		908,241,243	
Less: Current liabilities and provisions					
Current liabilities	11	233,074,215		106,360,578	
Provisions	12	13,930,715		43,371,980	
		247,004,930		149,732,558	
Net current assets			169,924,086		758,508,685
<b>Total</b>			<b>1,101,928,601</b>		<b>1,000,558,287</b>
Notes to accounts	17				

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: 19th April 2010

Place: Panaji – Goa  
Dated: 19th April 2010

# Profit and Loss Account

## For the year ended 31st March 2010

Particulars	Sch No.	Year ended 31st March 2010		Year ended 31st March 2009	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Sales of ore		1,408,430,821		1,472,614,431	
Miscellaneous income	13	30,996,303		10,222,836	
			1,439,427,124		1,482,837,267
<b>EXPENDITURE</b>					
Production and operational expenses	14	1,233,249,508		1,145,625,531	
Administration expenses	15	9,782,853		24,466,621	
Interest and other charges	16	263,235		1,793,245	
Depreciation		25,385,202		26,703,063	
			1,268,680,798		1,198,588,460
Profit before tax			170,746,326		284,248,807
Less: Provision for taxation					
Current tax			(51,536,200)		(102,100,000)
Deferred tax			3,718,827		625,561
Fringe benefit tax			-		(4,000,000)
Prior year taxes			34,860		93,013
Profit after taxes			122,963,813		178,867,381
Balance brought forward			821,329,598		642,462,217
			944,293,411		821,329,598
Surplus carried to reserve and surplus			944,293,411		821,329,598
Earnings per share – basic and diluted (Refer Note No. 12 of Schedule 17)			106.93		155.54
Nominal value per share			100.00		100.00
Notes to accounts	17				

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

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Director

**Rahul Tibrewal**  
Company Secretary

Place: Goa  
Dated: 19th April 2010

Place: Panaji – Goa  
Dated: 19th April 2010

## DEMPO MINING CORPORATION LIMITED

## Schedules Annexed to and Forming Part of the Balance Sheet

## Schedule 1: Share capital

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
<b>Authorised</b>				
1,150,000 equity shares of Rs. 100/- each (Previous year 1,150,000 equity shares of Rs. 100/- each)		115,000,000		115,000,000
<b>Issued and Subscribed</b>				
1,150,000 equity shares of Rs. 100/- each (Previous year 1,150,000 equity shares of Rs. 100/- each)		115,000,000		115,000,000
<b>Total</b>		115,000,000		115,000,000

## Notes:

- All the above equity shares are held by V.S.Dempo & Co. 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 Rs. 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 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
<b>Capital reserve</b>		6,635,190		6,635,190
<b>General reserve</b>				
As per last balance sheet		36,000,000		36,000,000
<b>Profit and loss account – Surplus</b>				
As per annexed account		944,293,411		821,329,598
<b>Total</b>		986,928,601		863,964,788

## Schedule 3: Secured loans

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
<b>From Others</b>				
Overdraft account [Secured by lien on Fixed Deposits aggregating Rs.Nil (Previous year Rs. 24,044,381)]		-		21,593,499
<b>Total</b>		-		21,593,499

## Schedule 4: Deferred tax

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
<b>Deferred tax liabilities</b>				
on temporary timing differences – in respect of gratuity		-		2,611,797
<b>Deferred tax assets</b>				
– in respect of depreciation allowance	11,456,047		10,064,144	
– in respect of compensated absences	5,554,982		6,143,223	
– in respect of provision for slow/non moving inventory	1,861,364		-	
– in respect of mine closure expenses	1,310,795		-	
– Others	-	20,183,188	2,868,791	19,076,158
<b>Net deferred tax Asset</b>	-	20,183,188		16,464,361

## Schedule 5: Fixed assets

Particulars	Original Cost				Depreciation/Amortisation				Net Value	
	Opening as at 1st April 2009 Rs.	Additions Rs.	Deductions Rs.	Closing as at 31st March 2010 Rs.	Opening as at 1st April 2009 Rs.	For the Year Rs.	On Deductions Rs.	Up to 31st March 2010 Rs.	As at 31st March 2010 Rs.	As at 31st March 2009 Rs.
<b>Tangible Assets</b>										
Land Plots (Note)	100,206,571	-	-	100,206,571	6,000	-	-	6,000	100,200,571	100,200,571
Roads & Bunders	22,700,322	-	-	22,700,322	10,125,880	725,688	-	10,851,568	11,848,754	12,574,442
Buildings	20,538,511	2,385,003	641,765	22,281,749	11,969,962	743,284	625,535	12,087,711	10,194,038	8,568,549
Plant and Machinery	538,858,113	20,873,374	27,336,996	532,394,491	474,147,714	20,819,077	26,723,971	468,242,820	64,151,671	64,710,399
Vehicles	28,716,451	3,406,340	7,341,299	24,781,492	17,808,410	2,855,285	5,639,647	15,024,048	9,757,444	10,908,041
Furniture and Fittings	2,980,259	165,145	1,292,100	1,853,304	2,514,609	241,868	1,291,808	1,464,669	388,635	465,650
<b>TOTAL</b>	<b>714,000,227</b>	<b>26,829,862</b>	<b>36,612,160</b>	<b>704,217,929</b>	<b>516,572,575</b>	<b>25,385,202</b>	<b>34,280,961</b>	<b>507,676,816</b>	<b>196,541,113</b>	<b>197,427,652</b>
Previous year	669,202,598	48,472,977	3,675,348	714,000,227	493,201,934	26,703,063	3,332,422	516,572,575		
Capital Work In Progress									38,156,506	25,863,069
Capital advances									30,405,842	-
<b>Grand Total</b>									<b>265,103,461</b>	<b>223,290,721</b>

Note:  
Land Plots include under Perpetual Lease Rs. 6,000 (Previous year Rs. 6,000).

## Schedule 6: Investments

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
<b>Long-term Investments (at cost less provision for diminution):</b>				
<b>Non-Trade, quoted shares: (Fully paid up)</b>				
Nil (Previous year 112,500) Equity Shares of Rs. 10/- each in IL&FS Investment Managers Ltd.	-		1,250,000	
Nil (Previous year 303) Equity Shares of Rs. 10/- each in The Great Eastern Shipping Co. Ltd.	-		18,148	
Nil (Previous year 42) Equity Shares of Rs. 10/- each in Mahindra Gesco Developers Ltd.	-		2,578	
Nil (Previous year 75) Equity Shares of Rs. 10/- each in Great Offshore Ltd.	-		4,491	
Nil (Previous year 22) Equity Shares of Rs. 10/- each in Pfizer Ltd.	-		10,073	
Nil (Previous year 100) Equity Shares of Rs. 10/- each in The Baroda Rayon Corporation Ltd.	-		108,470	
			-	1,393,760
<b>Current Investment (at lower of cost and market value)</b>				
<b>Non-trade, unquoted (Fully paid up):</b>				
In Mutual Funds				
21,369,004 (Previous Year Nil) units of Rs. 10 each Birla Saving Fund Institutional - Growth Option	373,545,156		-	
13,507,210 (Previous Year Nil) units of Rs. 10 each HDFC Treasury Advantage Plan - Wholesale Growth	272,665,950		-	
50,000 (Previous year 50,000) units of Rs. 10 each Principal PNB Term Equity Fund 3 plan series II Growth Plan	500,000		500,000	
Nil (Previous year 50,000) units of Rs. 10 each in Taurus Mutual Fund The Starshare	-		500,000	
	<b>646,711,106</b>			<b>1,000,000</b>

## DEMPO MINING CORPORATION LIMITED

# Schedules Annexed to and Forming Part of the Balance Sheet continued

## Schedule 6: Investments continued

### Non-Trade, Unquoted shares: (Fully paid up) In Co-operative Societies:

276 (Previous year 276) equity share of Rs. 10/- each in Dempo Mining Corporation Staff Consumers Co-Operative Society Ltd.	2,760	2,760
400 (Previous year 400) equity share of Rs. 10/- each in Dempo Mining Corporation Employees Co-Operative Credit Society Ltd.	4,000	4,000
	6,760	6,760
Provision for diminution in value of investments	-	106,000
<b>Total</b>	<b>646,717,866</b>	<b>2,294,520</b>

### Notes

1. Aggregate amount of mutual fund investments at net asset value	646,764,861	1,000,000
2. Aggregate amount of unquoted investments at cost [including mutual funds Rs 646,711,106 (Previous year Rs. 1,000,000)]	646,717,866	1,006,760
3. Mutual Fund units purchased & sold during the year		

	No. of Units	Purchase Cost Rs.
a) Birla Sun Life Cash Plus Institutional Daily Dividend Reinvestment	34,580,150	373,545,156
b) HDFC Cash Management Fund –Savings Plan – Daily – Dividend Re-investment	47,954,327	510,061,405
c) HDFC Cash Management Fund – Treasury Advantage Plan – Wholesale Daily Dividend Re-investment	24,150,089	242,261,617

## Schedule 7: Inventories

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Stocks of (at lower of cost and net realisable value):				
Finished goods – Iron ore	209,930,481		426,007,501	
Consumables stores and spares	23,680,705		40,167,542	
<b>Total</b>	<b>233,611,186</b>		<b>466,175,043</b>	

## Schedule 8: Sundry debtors

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Debts outstanding for a period exceeding six months		-		-
Other debts, unsecured and considered good	44,580,174			193
<b>Total</b>	<b>44,580,174</b>			<b>193</b>

## Schedule 9: Cash and bank balances

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Cash in hand	10,981			91,472
Balances with scheduled banks:				
On current account	808,604		331,983,769	
On deposit account [including on lien Rs. Nil (Previous year Rs. 24,044,381)]	28,489,429		28,421,713	
On EEFC account	-		14,633	
	29,298,033		360,420,115	
<b>Total</b>	<b>29,309,014</b>		<b>360,511,587</b>	

**Schedule 10: Loans and advances**

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Unsecured considered good unless otherwise stated				
Advances recoverable in cash or in kind or for value to be received:				
Considered good	60,814,137		58,368,832	
Considered doubtful	-		3,973,328	
Less: Provision for doubtful advances	- 60,814,137		3,973,328	58,368,832
Loans and advances to staff	4,578,201		2,839,886	
Prepaid expenses	16,586,423		19,313,467	
Advance tax (net of provision for tax Rs. 1,635,657) (Previous year Rs.Nil)	24,105,630		-	
Deposits	229,000		320,750	
<b>Total</b>	<b>106,313,391</b>		<b>80,842,935</b>	

**Schedule 11: Current liabilities**

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Sundry creditors				
(i) Due to micro and small enterprises (Refer Note No. 5 of Schedule 17)	-		-	
(ii) Due to others *	227,084,577		98,372,557	
	227,084,577		98,372,557	
Other liabilities	5,989,638		7,988,021	
<b>Total</b>	<b>233,074,215</b>		<b>106,360,578</b>	

\* Includes Rs. Nil due to the directors (Previous year Rs. 1,260,000)

**Schedule 12: Provisions**

Particulars	As at 31st March 2010		As at 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Provision for taxation [Net of Advance Tax Nil (Previous year Rs. 165,521,804)]		-	27,945,106	
Compensated absences	13,930,715		15,426,874	
<b>Total</b>	<b>13,930,715</b>		<b>43,371,980</b>	

## DEMPO MINING CORPORATION LIMITED

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

## Schedule 13: Miscellaneous income

Particulars	Year ended 31st March 2010		Year ended 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Interest on bank deposits [Tax deducted at source Rs. 135,466 (Previous year Rs. 671,687)]	3,570,135		2,584,864	
Interest others	316,058		164,093	
		3,886,193		2,748,957
Dividends (non-trade)				
On current investments	2,336,106		418,334	
On long-term investments	1,664	2,337,770	1,209,538	1,627,872
Profit on sale of current investments (net)		16,564,523		-
Profit on sale of assets (net)		233,253		165,893
Excess provisions written back		7,114,712		2,189,272
Other receipts		859,852		3,487,258
Difference in rate of exchange (net)		-		3,584
<b>Total</b>		<b>30,996,303</b>		<b>10,222,836</b>

## Schedule 14: Production and operational expenses

Particulars	Year ended 31st March 2010		Year ended 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Increase/decrease in stock of ore				
Opening stock	426,007,501		494,711,556	
Less: Closing stock	209,930,481		426,007,501	
		216,077,020		68,704,055
Consumption of stores		147,270,185		189,395,820
Purchase of ore		-		200,004,899
Personnel (Refer Note No. 10 of Schedule 17)				
Salaries, wages, bonus and allowances	151,194,547		151,428,990	
Contributions to provident and other funds	9,759,664		9,632,479	
Contributions to gratuity and annuity funds	403,898		9,855,229	
Staff welfare expenses	13,463,222		34,913,812	
		174,821,331		205,830,510
Repairs and maintenance				
Plant machinery	87,936,194		80,030,723	
Buildings	1,538,625		1,758,198	
Others	5,522,769		12,489,700	
		94,997,588		94,278,621
Contractors for hired trucks and other services	283,332,694		302,228,379	
Rents	3,049,491		2,589,379	
Royalty and cess	236,991,442		21,544,481	
Rates and taxes	2,953,288		2,527,803	
Insurance	2,420,129		2,492,856	
Electricity and water charges	21,598,114		20,306,496	
Analysis of ore		-		54,198
Printing and stationery		607,596		666,631
Travelling and representation expenses		3,630,172		3,180,270
General expenses		41,553,019		31,821,133
Difference in exchange rate (net)		1,346		-
Provision for mine closure expenses		3,946,093		-
<b>Total</b>		<b>1,233,249,508</b>		<b>1,145,625,531</b>



### Schedule 15: Administration expenses

Particulars	Year ended 31st March 2010		Year ended 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Personnel (Refer Note No. 10 of Schedule 17)				
Salaries, wages, bonus, allowances and commission	3,468,436		2,798,394	
Contributions to provident and other funds	196,803		172,406	
Staff welfare expenses	90,839		312,528	
		3,756,078		3,283,328
Printing and stationery		39,457		51,101
Postage, telephone, cables and telex charges		59,361		99,541
Fees to auditors				
Statutory audit fees	705,920		675,447	
Other certification fees	231,630		-	
Reimbursement of expenses	54,574		110,410	
		992,124		785,857
Sitting fees and commission to non wholetime directors		10,000		40,000
Travelling and representation expenses		-		475
Professional and legal charges	2,960,445		2,966,469	
Maintenance of vehicles	16,927		-	
Donations and contributions	381,100		12,800,000	
Bad debts/advances/deposits written off	1,251,049		3	
Loss on sale of current investments (net)	-		3,893,167	
Assets written off	25,131		-	
Miscellaneous expenses	291,181		546,680	
<b>Total</b>		<b>9,782,853</b>		<b>24,466,621</b>

### Schedule 16: Interest and other charges

Particulars	Year ended 31st March 2010		Year ended 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
Interest others		235,805		1,639,221
Other charges		27,430		154,024
<b>Total</b>		<b>263,235</b>		<b>1,793,245</b>

DEMPO MINING CORPORATION LIMITED

# Notes Forming Part of the Accounts

## For the year ended 31st March 2010

### Schedule 17:

#### 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 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.

##### 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 calculated for the remaining life of the assets reckoned from 1st June 2009. Hitherto, the depreciation was calculated on written down value method at the rates prescribed under same statute.

- a) vehicles, furniture and computers are depreciated at the annual rate of 20%, 10% and 30% respectively;
- b) individual items of assets costing Up to Rs. 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 Up to the month prior to the date of sale.

##### viii) Impairment of assets

The carrying amounts of fixed assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/ external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is recognised in the profit and loss account where the carrying amount of an asset exceeds its recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

##### 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 Up to 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.

The Company also contributes to a government administered provident fund in respect of its crew members of the Transfer Vessel, which is also charged to the Profit and loss account.

**Gratuity Fund:** The Company accounts for the net present value of its obligations for gratuity to employees (other than crew members of the Company's Transfer Vessel) 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.

Provision for gratuity to the crew members is made on a reasonable estimate basis as actuarial valuation of the liability is not possible.

**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) 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 Profit and Loss Account.

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 surpluses are recycled in the income statement in the periods when the hedged item is recognised in the Profit and Loss Account.

Derivative financial instruments that do not qualify for hedge accounting are marked to market at the balance sheet date and gains or losses are recognized in the income statement 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 net profit or loss for the year.

**xv) 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.

## DEMPO MINING CORPORATION LIMITED

# Notes Forming Part of the Accounts continued

## For the year ended 31st March 2010

**Schedule 17: continued****xvi) Segment reporting**

The Company primarily operates in the business segment of mining and export 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.

**xvii) 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.

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. Acquisitions/disinvestments:**

Pursuant to the Share purchase agreement dated 11th June 2009 between the shareholders of the Holding Company i.e. V.S. Dempo & Co. Ltd. and Sesa Goa Limited, the entire shares of the Holding Company have been purchased by Sesa Goa Limited. Consequently with effect from 11th June 2009, V. S. Dempo & Co. Ltd. has become a wholly owned subsidiary of Sesa Goa Limited; and accordingly the Company is a Public Limited Company. The consequent changes are in process and awaiting clearance from Registrar of Companies and Ministry of Corporate Affairs.

**3. Contingent liabilities:**

	As at 31st March 2010 (Rs.)	As at 31st March 2009 (Rs.)
i) Guarantees issued by the bankers in favour of various parties	7,735,512	11,954,722
ii) Goa Welfare Cess on transportation under the Goa Rural Development and welfare cess Act 2000 (Goa Act 29 of 2000)	158,707,222	-

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

- Estimated amount of contracts remaining to be executed on capital account and not provided for aggregated Rs. 166,302,947/- (Previous year Rs. 167,624,288/-).
- 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.

**6. Managerial Remuneration****i) Remuneration to directors**

	2009-10 (Rs.)	2008-09 (Rs.)
Salary, allowances and bonus	3,548,815	2,520,000
Commission	177,500	900,000
Contribution to provident, superannuation and other funds <sup>1</sup>	517,185	486,000
Other benefits	671,846	354,676
<b>Total</b>	<b>4,915,346</b>	<b>4,260,676</b>

1 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**

	2009-10 (Rs.)	2008-09 (Rs.)
Profit before taxes	170,746,326	284,248,807
Add: Sitting fees	10,000	40,000
Loss of sale of investments	-	3,893,167
Less: Profit on sale/redemption of investments	16,564,523	-
Profit on sale of assets	233,253	165,893
Profit under section 349	153,958,550	288,016,081
Add: Directors remuneration	4,915,346	4,260,676
Profit under Section 198	158,873,896	292,276,757
- Commission payable to Managing director @ 1%	1,588,739	2,922,768
- Commission payable to Managing director restricted to 50% of the salary	177,500	900,000

## 7. Quantitative information

### i) Details on capacity and production

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

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

Class of products	2009-10		2008-09	
	Quantity in Metric tons	Value (Rs.)	Quantity in Metric tons	Value (Rs.)
<b>Iron Ore</b>				
Opening Stock	1,191,097	426,007,501	1,439,207	494,711,556
Production – Note 1	1,773,164	1,008,373,758	2,217,325	833,668,570
Purchases – Note 1	–	–	161,789	200,004,899
Sales	2,501,147	1,408,430,821	2,627,223	1,472,614,431
Closing Stock	463,115	209,930,481	1,191,097	426,007,501

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

## 8. Donations and contributions include payment to the following political parties:

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
– Bharatiya Janata Party	–	1,50,000
– Shiv Sena	–	50,000
<b>Total</b>	<b>–</b>	<b>2,00,000</b>

9. Research & development expenditure of Rs. 2,77,590 (Previous year Rs. Nil) 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 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 Rs. 10,360,365 (Previous year Rs. 10,416,854) has been charged to the profit and loss account in this respect, the components of which are tabulated below:

Contribution to defined contribution plans	2009-10 (Rs.)	2008-09 (Rs.)
Provident fund and family pension fund	9,956,467	9,829,282
Superannuation fund	403,898	587,572
<b>Total</b>	<b>10,360,365</b>	<b>10,416,854</b>

### 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'.

DEMPO MINING CORPORATION LIMITED

# Notes Forming Part of the Accounts continued

## For the year ended 31st March 2010

**Schedule 17: continued****a) Movement in the present value of defined benefit obligation**

	2009-10 (Rs.)	2008-09 (Rs.)
Obligation at the beginning of the year	47,003,498	40,409,326
Current service cost	2,919,055	2,684,656
Interest cost	3,623,508	3,249,377
Actuarial (gains) and losses	(6,793,538)	5,613,690
Benefits paid	3,218,237	4,953,551
Obligation at the end of the year	43,534,286	47,003,498

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

	2009-10 (Rs.)	2008-09 (Rs.)
Fair value at the beginning of the year	54,687,514	38,846,562
Expected return on the plan assets	4,246,272	4,375,007
Actuarial gains and (losses)	1,933,750	(1,898,301)
Employers' contribution	-	18,317,797
Benefits paid	3,218,237	4,953,551
Fair value at the end of the year	57,649,299	54,687,514

**c) Amount recognised in the Balance Sheet**

	As at 31st March 2010 (Rs.)	As at 31st March 2009 (Rs.)
Present value of the obligation at the end of the year	43,534,286	47,003,498
Fair value of the plan assets at the end of the year	57,649,299	54,687,514
Unfunded status/(Excess of funding over obligation)	(14,115,013)	(7,684,016)
Net liability/(asset) recognised in the Balance Sheet	(14,115,013)	(7,684,016)

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

	2009-10 (Rs.)	2008-09 (Rs.)
Current service cost	2,919,055	2,684,656
Interest cost	3,623,508	3,249,377
Expected return on plan assets	(4,246,272)	(4,375,007)
Actuarial gains and (losses)	(8,727,288)	7,511,991
Total expense/income recognised in the Profit and Loss Account	(6,430,997)	9,071,017

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**

	2009-10 (Rs.)	2008-09 (Rs.)
Expected return on plan assets	4,246,272	4,375,007
Actuarial gains and (losses)	1,933,750	(1,898,301)
Actual return on plan assets	6,180,022	2,476,706

**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.

	2009-10	2008-09
Discount rates	8.25%	8%
Expected return on plan assets	8%	8%
Salary escalations	5%	5%
Withdrawal rates	2%	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

	2009-10 (Rs.)	2008-09 (Rs.)
Present value of the obligation	43,534,286	47,003,498
Fair value of plan assets	57,649,299	54,687,514
Surplus/deficit in the plan	14,115,013	7,684,016
Experience adjustment on plan liabilities	(4,582,388)	5,614,090
Experience adjustment on plan assets	1,933,750	1,898,301

## 11. Related party disclosures

### i) Names of related parties and their relationship

Sr. No. Name of the related party and relationship

a. Holding Companies V. S. Dempo & Co. Ltd. – Holding Company Sesa Goa Limited (w.e.f 11-Jun-09) – Holding Company of V.S. Dempo & Co. Ltd. Finsider International Company Limited (w.e.f 11-Jun-09) – Holding Company of Sesa Goa Limited Richter Holding Limited (w.e.f 11-Jun-09) – Holding Company of Finsider International Company Limited Westglobe Limited (w.e.f 11-Jun-09) – Holding Company of Finsider International Company Limited Vedanta Resources Plc (w.e.f 11-Jun-09) – Ultimate Holding Company Esmeralda Investments Private Limited (ceased to be a Ultimate Holding Company w.e.f 11-Jun-09)
b. Fellow subsidiaries with whom transactions have taken place Sterlite Industries (India) Limited (w.e.f 11-Jun-09)
c. Associates/Joint Ventures Dempo Industries Pvt. Ltd. Dempo Travels Pvt. Ltd., (The above ceased to be Associates w.e.f. 11th June 09)
d. Key Management Personnel Mr. Shrinivas V. Dempo – Chairman (ceased to be Chairman w.e.f. 11-Jun-09) Mr. Soiru V. Dempo – Managing Director (ceased to be Managing Director w.e.f. 11-Jun-09) Mr. Pramod Unde – Wholetime Director (w.e.f. 1st November 09)

### ii) Transactions with the related parties

	Holding Companies	Subsidiaries	Fellow Subsidiaries	Associates	Key Management Personnel
a. Purchase of goods, services and other expenditure					
Purchases of goods	6,229,947 (1,961,205)	– (–)	– (–)	– (–)	– (–)
Purchases of services	– (–)	– (–)	792,870 (–)	15,192 (231,292)	– (–)
Remuneration/sitting fees	– (–)	– (–)	– (–)	– (–)	4,915,346 (4,260,676)
b. Sale of goods, services & other income					
Sales of goods	1,410,254,359 (1,474,425,537)	– (–)	– (–)	– (–)	– (–)
c. In respect of revenue transactions:					
Receivables	44,161,282 (–)	– (–)	– (–)	– (–)	– (–)
Payables	525,673 (–)	– (–)	1,239,218 (–)	– (–)	– (1,260,000)

Note: Figures in brackets relate to previous year.

DEMPO MINING CORPORATION LIMITED

# Notes Forming Part of the Accounts continued

## For the year ended 31st March 2010

**Schedule 17: continued**

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

Nature of the transaction	Name of related party	2009-10 (Rs.)	2008-09 (Rs.)
a. Purchase of goods, services and other expenditure			
Purchase of goods	Sesa Goa Ltd.	2,313,585	-
Purchase of services	V. S. Dempo & Co. Ltd. Sterlite Industries India Ltd	- 792,870	1,961,205 -
Remuneration/sitting fees	Mr. Pramod Unde Mr. Soiru Dempo	4,104,200 811,146	-
b. Sale of goods, services & other income			
Sale of goods	V. S. Dempo & Co. Ltd.	1,410,254,359	1,474,425,537
c. In respect of revenue transactions:			
Receivables/(Payables)	V. S. Dempo & Co. Ltd.	44,161,282	(7,707,773)
Payables	Sterlite Industries India Ltd. Sesa Goa Ltd..	1,239,218 525,673	- -
d. Collaterals taken:	V. S. Dempo & Co. Ltd.	12,181,961 (49,681,961)	- (-)

**12. Earnings per share**

		2009-10	2008-09
a) Profit after tax	Rs.	122,963,813	178,867,381
b) Weighted average number of shares for Basic EPS	Nos.	1,150,000	1,150,000
c) Nominal value per equity share	Rs.	100	100
d) Basic Earnings Per Share	Rs.	106.93	155.54

**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 2010 is as under:

Nature of obligation	2009-10 (Rs.)	2008-09 (Rs.)
<b>Mines Closure Provision</b>		
Opening carrying amount	3,736,888	3,736,888
Additional provisions made during the year	209,205	-
Amounts used during the year	-	-
Unused amounts reversed during the year	-	-
<b>Closing carrying amount</b>	<b>3,946,093</b>	<b>3,736,888</b>

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

15. Previous year's figures have been regrouped and rearranged wherever necessary its 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 : 19th April 2010

# Balance Sheet Abstract and Company's General Business Profile

NAME OF THE COMPANY	DEMPO MINING CORPORATION LTD.
<b>I) REGISTRATION DETAILS</b>	
Registration No.	G/91
State Code	24
Balance Sheet Date	31.03.2010
<b>II) CAPITAL ROSE DURING THE YEAR:</b>	
Public Issue	(Rs. in '000s) NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
<b>III) POSITION OF MOBILIZATION &amp; DEPLOYMENT OF FUNDS:</b>	
Total Liabilities	(Rs. in '000s) 1,101,929
Total Assets	1,101,929
Sources of Funds:	
Paid-up Capital	115000
Reserves & Surplus	986,929
Secured Loans	NIL
Unsecured Loans	NIL
Application of Funds:	
Net Fixed Assets	265,103
Investments	646,718
Net Current Assets	169,924
Accumulated Losses	NIL
Deferred Tax Asset	20183
<b>IV) PERFORMANCE OF COMPANY:</b>	
Turnover	(Rs. in '000s) 1,439,427
Total Expenditure	1,268,681
Profit before Tax	170,746
Profit after Tax	122,964
Earning Per Share (in Rs.)	107
Dividend rate (%)	NIL
<b>V) GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY</b> (As per monetary terms)	
Item Code No. (ITC Code)	26,011,100
Product Description	Iron Ore

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 : 19th April 2010

DEMPO MINING CORPORATION LIMITED

# Cash Flow Statement

## For the year ended 31st March 2010

Particulars	Year ended 31st March 2010 Rs.	Year ended 31st March 2009 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax	170,746,326	284,248,807
<b>Adjustments for:</b>		
Depreciation	25,385,202	26,703,063
Provision for doubtful debts written back	(25,171)	(1,917,550)
Assets Written Off	25,131	-
Interest/dividend (net)	(5,988,158)	(2,737,608)
(Profit)/loss on sale of assets	(233,253)	(165,893)
(Profit)/loss on redemption of investments	(16,564,523)	3,893,167
<b>Operating profit before working capital changes</b>	<b>173,345,556</b>	<b>311,941,536</b>
<b>Adjustments for:</b>		
Trade and other receivables	(45,208,151)	(10,673,141)
Inventories	232,563,857	79,463,953
Trade payables	125,217,478	(2,737,977)
<b>Cash generated from operations</b>	<b>485,918,740</b>	<b>376,076,821</b>
Taxes paid	(103,552,076)	(85,437,268)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>382,366,664</b>	<b>290,639,553</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(69,529,141)	(47,015,460)
Proceeds from sale of fixed assets	2,539,321	508,819
(Purchase)/redemption of current investments	(627,858,824)	38,309,784
Movements in term deposits with maturity more than 3 months	(67,716)	(1,015,229)
Interest received	770,942	2,037,472
Dividend received	2,337,770	1,627,872
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(691,807,649)</b>	<b>(5,546,742)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Loans repaid/Availed	(21,593,499)	21,593,499
Interest paid	(235,805)	(1,639,221)
Dividend and taxes paid thereon	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(21,829,304)</b>	<b>19,954,278</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(331,270,289)</b>	<b>305,047,089</b>
<b>Cash and cash equivalents – opening balance</b>	<b>332,089,874</b>	<b>27,042,785</b>
<b>Cash and cash equivalents – closing balance</b>	<b>819,585</b>	<b>332,089,874</b>
Notes:		
1 Cash and bank balances as per Schedule 9	29,309,014	360,511,587
Less: Term deposits with maturity more than 3 months	(28,489,429)	(28,421,713)
Cash and cash equivalents as per the cash flow statement	<b>819,585</b>	<b>332,089,874</b>

- 2 Figures in brackets represent outflows  
3 For notes to accounts refer schedule 17

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: 19th April 2010

Place: Panaji – Goa  
Dated: 19th April 2010



SESA GROUP



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