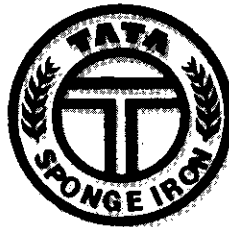


17th

Annual Report
1999 - 2000

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TATA SPONGE IRON LIMITED

C O N T E N T S

Corporate Information-----	1
Notice -----	2-8
Chairman's Statement-----	9
Directors' Report -----	10-14
<i>Auditors' Report</i> -----	15-17
Balance Sheet -----	18
Profit and Loss Account -----	19
Schedules forming part of Profit and Loss Account -----	20-23
Schedules forming part of Balance Sheet -----	24-28
Notes on Balance Sheet & Profit and Loss Account -----	29-31
Cash Flow Statement -----	32
Balance Sheet Abstract-----	33
General Information for Shareholders -----	34-40

Board of Directors

(As on 23rd May, 2000)

Mr. N. P. Sinha	—	Chairman
Mr. S. Pandey		
Mr. N. Patnaik		
Mr. H. S. Majumder		
Mr. S. V. Kale		
Mr. A. D. Baijal		
Mr. P. K. Lahiri		
Mr. I. S. P. Shetti	—	Managing Director
Mr. A. Pandit	—	Joint Managing Director

Management

(As on 23rd May, 2000)

Mr. I. S. P. Shetti	—	Managing Director
Mr. A. Pandit	—	Joint Managing Director
Mr. B. M. Sarangi	—	Senior General Manager
Mr. A. C. Sen	—	Chief Executive (Finance & Accounts)
Mr. T. P. Ninan	—	General Manager
Mr. R. Raju	—	Controller of Accounts
Mr. S. S. Dhanjal	—	Company Secretary
Mr. M. K. Sheshadri	—	Chief Marketing Manager

Bankers

State Bank of India
Canara Bank

Auditors

Messrs S. B. Billimoria & Co.
Chartered Accountants

Registered Office & Works

P. O. Joda
Dist. - Keonjhar
Orissa - 758 034
Tel No. : (06767) 78122
Fax No. : (06767) 78159
E-Mail : tsil@dte.vsnl.net.in

Share Registrars

Tata Share Registry Ltd.
Army & Navy Building
148, Mahatma Gandhi Road
Mumbai - 400 001
Tel No. : (022) 2873831
Fax No. : (022) 2844160
Website : www.tata.com/tsrl

TATA SPONGE IRON LIMITED

TATA SPONGE IRON LIMITED

Regd. Office : P. O. Joda, Dist. Keonjhar, Orissa - 758 034

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of TATA SPONGE IRON LIMITED will be held at the Registered Office at Joda on Saturday, the 9th September, 2000, at 12-00 Noon to transact the following business :

ORDINARY BUSINESS

- 1) To receive and adopt the Board's Report and Audited Profit and Loss Account for the year ended 31st March, 2000 and the Balance Sheet as at that date together with the Auditors' Report thereon.
- 2) To take note of interim dividend.
- 3) To appoint a Director in place of Mr. N. Patnaik who, retires by rotation and being eligible, offers himself for reappointment.
- 4) To appoint a Director in place of Mr. P. K. Lahiri who, retires by rotation and being eligible, offers himself for reappointment.
- 5) To appoint a Director in place of Mr. S. V. Kale who, retires by rotation and being eligible, offers himself for reappointment.
- 6) To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

- 7) To consider and if thought fit to pass, with or without modification, the following resolution as Ordinary Resolution :

"RESOLVED that Mr. Ashok Pandit be and is hereby appointed a Director of the Company."

- 8) **Appointment of Joint Managing Director**

To consider and if thought fit to pass, with or without modification, the following resolution as Ordinary Resolutions :

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and Article 112 of the Articles of Association of the Company, Mr. Ashok Pandit be appointed as Joint Managing Director of the Company, subject to retirement by rotation, with effect from 15th April, 2000 for a period of five years, on such terms and conditions as set out in the draft agreement submitted to this meeting and initialled by the Chairman for the purpose of identification with liberty to the Board/Committee of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board/Committee of Directors and Mr. Ashok Pandit."

"RESOLVED further that the Joint Managing Director, as and when reappointed as Director immediately on retirement by rotation, shall continue to hold his office of Joint Managing Director and such re-appointment as Director shall not be deemed to constitute a break in his appointment as Joint Managing Director."

9) Amendments to the Articles of Association

To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution :

"RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company, be altered in the following manner:

Insert the following Heading and Article as Article 59A after Article 59 :

'Dematerialisation of Securities'

Definitions

59A(1) For the purpose of this Article :

'Beneficial Owner', means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities & Exchange Board of India;

'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992; and

'Security' means such security as may be specified by SEBI from time to time.

Dematerialisation of Securities

(2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Options for Investors

(3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its records the name of the allottee as the beneficial owner of the security.

Securities in Depositories to be in fungible form

(4) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

TATA SPONGE IRON LIMITED

Rights of Depositories and Beneficial Owners	(5)	<p>(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.</p> <p>(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.</p>
Service of documents	(6)	Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
Transfer of Securities	(7)	Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferrer and transferee both of whom are entered as beneficial owners in the records of a depository.
Allotment of Securities dealt with in a Depository	(8)	Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
Distinctive numbers of Securities held in a Depository	(9)	Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
Register and Index of Beneficial Owners	(10)	The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.'

10) Retirement Benefits for Managing/Executive Directors

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED that sanction be and is hereby accorded to the payment of retirement benefits to Managing Directors/Executive Directors of the Company on their retirement, which benefits, as set out in the explanatory statement hereto, will only be provided at the discretion of the Board in each individual case on the recommendation of a Committee of the Board appointed by it, and which benefits are subject to the terms and conditions set out in the Explanatory Statement."



TATA SPONGE IRON LIMITED

Regd Office : Joda

Post - Joda, Dist. - Keonjhar, Orissa - Pin 758 034

To

The Members of Tata Sponge Iron Limited

Abstract and Memorandum of Interest under Section 302 of the Companies Act, 1956

The Board of Directors of the Company ("The Board") at its meeting held on 29th March, 2000 approved the appointment of Mr. Ashok Pandit as Joint Managing Director of the Company for a period of five years with effect from 15th April, 2000, fixing inter-alia, the salary at Rs. 45,000/- per month in the scale of Rs. 20,000 - Rs. 60,000 per month (with proportionate increase in the value of the benefits related to salary) with authority to the Board/Committee of Directors to fix his salary within the scale from time to time, upon the terms and conditions set out in item no. 8 of the accompanying Annexure to the Notice dated 23rd May, 2000 for 17th Annual General Meeting.

Subsequently, the Board at its meeting held on 28th July, 2000, has revised the salary of Mr. Ashok Pandit, the Joint Managing Director, and enhanced the same from Rs. 45,000 to Rs. 50,000/- per month in the scale of Rs. 20,000 - Rs. 60,000 per month with retrospective effect from 15th April, 2000, subject to the approval of the Shareholders in the 17th Annual General Meeting.

Accordingly in compliance with the requirements of Section 302 of the Companies Act, 1956, an abstract of the variation in the terms of appointment of Joint Managing Director together with memorandum of concern or interest is set out below :

1) ABSTRACT OF THE VARIATION IN THE TERMS OF APPOINTMENT OF JOINT MANAGING DIRECTOR :

Existing	Revised
Salary : Rs. 45,000/- per month in the scale of Rs. 20,000/- — Rs. 60,000 per month (with proportionate increase in the value of the benefits related to salary) with authority to the Board/Committee of Directors to fix his salary within the scale from time to time. The annual increments will be merit based and take into account the Company's performance.	Salary : Rs. 50,000/- per month in the scale of Rs. 20,000/- — Rs. 60,000 per month (with proportionate increase in the value of the benefits related to salary) with authority to the Board/Committee of Directors to fix his salary within the scale from time to time. The annual increments will be merit based and take into account the Company's performance.

2) MEMORANDUM OF CONCERN OR INTEREST :

Mr. Ashok Pandit, the Joint Managing Director, may be deemed to be concerned or interested in the matter, since it relates to the terms of his appointment. None of the other Directors of the Company is concerned or interested in the aforesaid matter.

This Abstract and Memorandum of Concern and Interest may please be read instead of existing Clause 3(a) of Item No. 8 of the Annexure to Notice dated 23rd May, 2000 for 17th Annual General Meeting.

By order of the Board

(S. S. Dhanjal)
Company Secretary

Calcutta
28th July, 2000

Notes :

- 1) The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 in respect of business under Item Nos. 7, 8, 9 and 10 above are annexed hereto.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT JODA, DIST-KEONJHAR, ORISSA, PIN 758 034, NOT LESS THAN 48 HOURS BEFORE THIS ANNUAL GENERAL MEETING.
- 3) The Register of Members and Share Transfer Books will remain closed from 10th August, 2000 to 18th August, 2000, both days inclusive.
- 4) Your dividend warrant is valid for payment by the Company's Bankers for three months from the date of issue. Thereafter, please contact our Share Registrars, M/s. Tata Share Registry Ltd., Army & Navy Building, 148, Mahatma Gandhi Road, Mumbai - 400 001, for revalidation of the warrants. Please encash your dividend warrants immediately as the dividend amounts remaining unpaid at the expiry of 7 years from the 49th day of its declaration are required to be transferred by the Company to the Investor Education and Protection Fund to be established under Section 205C in terms of Section 205A of the Companies Act, 1956.
- 5) The unclaimed dividend for the financial years 1993-94 and 1994-95 has been transferred to the General Revenue Account of Central Government. Members, who have not encashed their dividend warrants for 1993-94 and 1994-95 are, therefore, requested to claim the amount from the Registrar of Companies, Orissa, Chalachitra Bhawan (IInd Floor), Buxi Bazar, Cuttack - 753 001.
- 6) Members, who have not encashed their dividend warrants issued for the years 1995-96, 1996-97, 1997-98 and 1998-99 are requested to immediately forward the same for revalidation to our Share Registrars at their address given under (4) above, and get the encashment at the earliest.
- 7) Members, who have multiple accounts in identical names or joint names in same order, are requested to intimate M/s. Tata Share Registry Ltd. the Ledger Folios of such accounts to enable the Company to consolidate all such share holdings into one account.
- 8) The Members are requested to notify change of their address, if any, immediately to M/s. Tata Share Registry Ltd.

By Order of the Board of Directors

Calcutta,
23rd May, 2000

S. S. Dhanjal
Company Secretary

TATA SPONGE IRON LIMITED

ANNEXURE TO NOTICE

Explanatory Statement under Section 173 (2) of the Companies Act, 1956.

ITEM NO. 7

The Board of Directors of the Company at its meeting held on 11th January, 2000, appointed Mr. Ashok Pandit as Additional Director of the Company. Pursuant to Article 109 of the Articles of Association of the Company, Mr. Pandit will hold office as Director up to the date of the next Annual General Meeting and is eligible for appointment. The Company has received from a Member a notice in writing in terms of Section 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Mr. Pandit as a Director of the Company at the forthcoming Annual General Meeting.

The Board recommends acceptance of the Resolution set out in Item No. 7 of the convening Notice. None of the Directors other than Mr. Ashok Pandit is concerned or interested in the Resolution.

ITEM NO. 8

Subsequent to last Annual General Meeting held on 28th August, 1999, Mr. Ashok Pandit joined the Board as Additional Director with effect from 11th January 2000. He secured B.Sc. (Engg.) in Mechanical from Utkal University, B. S. (Industrial Engineering) from University of Washington and M. A. in Environmental Administration from University of California.

He has been closely associated with a number of professional bodies in the capacity of member, secretary or chairman. He was conferred with 'R.S. Murthy National Award' in 1985, 'Ramaswamy Cup for Best Industrial Engineer' in 1987, 'H.K. Firodia Gold Medal' in 1991 and 'Lillian Gilberth Award' for distinguished contribution for promotion of Industrial Engineering Discipline and the Innovative Ideas of Industrial Engineering Technique from IIIE.

Mr. Ashok Pandit has to his credit the vast experience of 13 years in the Industrial Engineering Department of Kaiser Steel Corporation, USA, 12 years in the Industrial Engineering Department of TISCO and has been Executive-in-Charge of the Tubes Division of TISCO since past 7 years.

In view of his excellent professional background and managerial skills, at its meeting held on 29th March, 2000, the Board appointed him as the Joint Managing Director of the Company for a period of 5 years effective from 15th April, 2000 on the following terms and conditions :

1. The Joint Managing Director shall carry out and perform such duties and services as may be entrusted to him from time to time by the Managing Director and the Board of Directors, subject to the superintendence and control of the Managing Director and the Board of Directors.
2. Period of Appointment : From 15th April, 2000 to 14th April, 2005.

3. REMUNERATION :**(a) Salary :**

Rs. 45,000 - per month in the scale of Rs. 20,000-Rs. 60,000 per month (with proportionate increase in the value of the benefits related to salary) with authority to the Board/Committee of Directors to fix his salary within the scale from time to time. The annual increments will be merit based and take into account the Company's performance.

(b) Commission :

As may be determined by the Board/Committee of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Act. The specific amount payable which shall not exceed two years' of annual salary of Mr. Ashok Pandit will be based on certain performance criteria to be laid down by the Board/Committee of Directors and will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the Shareholders.

(c) Perquisites & Allowances :

- (i) In addition to the salary and commission payable, Mr. Ashok Pandit shall be entitled to

perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance etc. in accordance with the rules of the Company or as may be agreed to by the Board/Committee of Directors and the Joint Managing Director, such perquisites to be restricted to 125% of the annual salary.

(ii) For the purposes of calculating the above ceiling, perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual costs.

Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

(iii) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

(d) Minimum Remuneration :

If in any financial year during the currency of tenure of Mr. Ashok Pandit, the Company has no profits or its profits are inadequate, the managerial remuneration will be limited to the amount specified in Section II of Part II of the Schedule XIII to the Companies Act, 1956.

4. The terms and conditions of the appointment and/or Agreement may be altered and varied from time to time by the Board/Committee of Directors as it may, in its discretion, deem fit, within the maximum amount payable to Joint Managing Director in accordance with Schedule XIII to the Companies Act, 1956, or any amendments made thereto.
5. The Agreement may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof.
6. If, at any time, Mr. Ashok Pandit ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Joint Managing Director.
7. If, at any time, Mr. Ashok Pandit ceases to be the Joint Managing Director of the Company, for any cause whatsoever, he shall cease to be a Director of the Company.
8. So long as Mr. Ashok Pandit acts as the Joint Managing Director of the Company he shall not be entitled to sitting fees for attending meetings of the Board or any Committee thereof.
9. Mr. Ashok Pandit, Joint Managing Director, shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission and shall also not become interested or otherwise concerned, directly or through his wife and/or minor children, in any buying, selling or any other agency of the Company, without the prior approval of the Central Government.
10. The Joint Managing Director shall not have the following powers :
 - (a) power to make calls on shareholders in respect of monies unpaid on shares in the Company;
 - (b) power to issue debentures; and
 - (c) power to invest the funds of the Company in shares, stocks and securities.

The Company will be immensely benefited with the association of Mr. Pandit as Joint Managing Director and, the Board accordingly, recommends the proposed Resolutions for your approval.

The draft Agreement between the Company and Mr. Ashok Pandit is available for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

None of the Directors other than Mr. Ashok Pandit is concerned or interested in the Resolution.