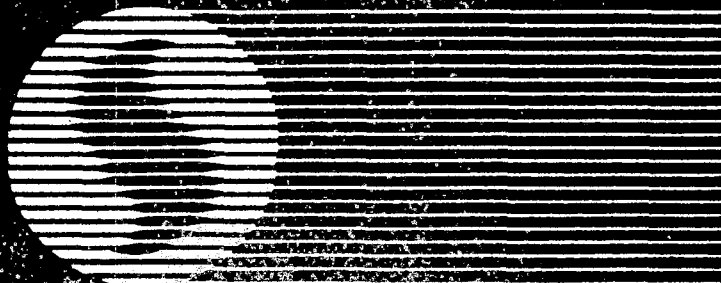


# SESA GOA LIMITED

32nd Annual Report  
1996-97

Report

SESA GROUP







## SESA GOA LIMITED

Registered Office : Sesa Ghor, 20 EDC Complex, Patto, Panjim - Goa 403 001.

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty-Second Annual General Meeting of SESA GOA LIMITED will be held on Friday, 26th September, 1997 at 4.30 p.m. at Hotel Mandovi, Panjim-Goa, to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 1997 and the Profit & Loss Account for the year ended on that date and the Report of the Directors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. T. Pooran, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. H.K. Bilpodiwala, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

#### SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s) the following resolutions as Ordinary Resolutions:

6. "RESOLVED that pursuant to the provisions of Sections 269, 309 and other applicable provisions, if any, of the Companies Act, the Company hereby accords its approval to the re-appointment of Mr. Valerine Frank as Wholtime Director of the Company for a further period from 27th March, 1997 to 30th June 2000 and to the payment of remuneration, as set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting, with a liberty to the Board of Directors to alter and vary such terms and conditions including remuneration so as not to exceed the limits specified in Part I, i.e. in case of profit, and Part II in case of inadequacy of profit, of Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be agreed to by the Board of Directors and Mr. Frank during the aforesaid period."



7. "RESOLVED that pursuant to the provisions of Sections 269 and 309 and other applicable provisions of the Companies Act, 1956 and subject to the approval of Central Government, the Company hereby accords its approval to the appointment of Mr. Yasushi Takagi as Wholtime Director of the Company for a period of 3 years with effect from 1st April 1997 and to the payment of remuneration, as set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting, with a liberty to the Board of Directors to alter and vary such terms and conditions including remuneration so as not to exceed the limits specified in Part I, i.e. in case of profit, and Part II in case of inadequacy of profit, of Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be agreed to by the Board of Directors and Mr. Y. Takagi during the aforesaid period."
8. "RESOLVED that pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the salary of Mr. Antonino Giovinazzo, Managing Director be and is re-fixed at Rs.55,000/- (Rupees Fifty five thousand only) per month retrospective effect from 1st January, 1997 for the unexpired period of his Contract upto 31st December 1997, with corresponding increase in the payment of commission and value of perquisites under the same heads as before, except that the medical reimbursement will be as per the rules of the company and that the perquisites will be on actual basis without restricting the value equal to annual salary."
9. "RESOLVED that pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the salary of Mr. P.F.X. D'Lima, Wholtime Director be and is re-fixed at Rs.42,500/- (Rupees forty two thousand five hundred only) per month retrospective effect from 1st January, 1997 for the unexpired period of his Contract upto 20th September 1999, with corresponding increase in the payment of commission and value of perquisites under the same heads as before, except that the medical reimbursement will be as per the rules of the company and the perquisites will be on actual basis without restricting the value equal to annual salary."
10. "RESOLVED that pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the salary of Mr. S. M. Sawant, Wholtime Director be and is re-fixed at Rs.42,500/- (Rupees forty two thousand five hundred only) per month retrospective effect from 1st January, 1997 for the unexpired period of his contract upto 28th June 1997, with corresponding increase in the payment of commission and value of perquisites under the same heads as before, except that the medical reimbursement will be as per the rules of the company and the perquisites will be on actual basis without restricting the value equal to annual salary."

SESA GROUP



SESA GOA

11. "RESOLVED that the consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the creation by the Board of Directors of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company in such form and manner as the Board of Directors may direct on such of the Company's movable and immovable properties, both present and future, in favour of Financial Institutions/Banks and other investing agencies to secure rupee/foreign currency loans, bonds or other instruments of an equivalent aggregate value not exceeding Rs.200 crores together with interest thereon at the respective agreed rates, compounded interest, additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company to the Financial Institutions/Banks/other investing agencies under the arrangements entered into by the Company in respect of the Loans, Bonds or other instruments".

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise the terms and conditions of the above mentioned loans, bonds or other instruments and the documents for creating the aforesaid mortgages, charges and hypothecations, and to do all such acts and things and execute such documents or writing as may be necessary for giving effect to the above Resolution."

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

"RESOLVED that pursuant to Section 309(4) and 310 of the Companies Act, 1956, authority be and is hereby accorded to the payment of commission to the Non-Wholetime Directors of the Company resident in India, not being Managing / Wholetime Directors (in such manner as the Board of Directors may from time to time determine) within the statutory limits of the Companies Act, 1956 computed in the manner laid down in Section 198(1) of the Companies Act, 1956, for a period of 5 years with effect from 1st April, 1997."

By Order of the Board  
SESA GOA LIMITED

Place : Panjim, Goa - 403 001  
Dated : 2nd July, 1997

C.D.CHITNIS  
SECRETARY & GM-CORP. AFFAIRS.



SESA GROUP

**SESA GOA**

---

**NOTES:**

- a) The relative Explanatory Statement as required by Section 173 of the Companies Act, 1956, in regard to the Special Business entered under item 6 to 12 is annexed.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- c) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday 17th September, 1997 to Friday 26th September, 1997 (both days inclusive).
- d) If the dividend on equity shares, as recommended by the Board of Directors, is declared at the meeting, payment thereof will be made on or after 3rd November, 1997 to those Members whose names will appear on the Company's Register of Members as on 26th September, 1997. Members are requested to notify immediately any change in their address.
- e) In accordance with the provisions of Section 205-A of the Companies Act, 1956, the Company has, from time to time, transferred unclaimed dividends relating to the years upto and including 1992-93 to the General Revenue Account of the Central Government. Members who have a valid claim to any of the unclaimed dividends may claim the same from the Registrar of Companies, Goa, Daman & Diu, Panjim, Goa in the prescribed manner.
- f) Members who are holding shares in identical order of names in more than one account are requested to intimate to the Share department the Ledger Folio of such accounts together with the Share Certificates to enable the Company to consolidate all the holdings into one account. The Share Certificates will be returned to the members after making the necessary endorsements in due course.
- g) The Shareholders who have not surrendered their Share Certificates for exchange for new Certificates, pursuant to Circular Letter dated 13th January, 1997 are once again requested to submit the old Share Certificates for exchange.

SESA GROUP

**SESA GOA****ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173  
OF THE COMPANIES ACT, 1956****ITEM NO. 6**

The Board of Directors of the Company at its meeting held on 5th March, 1997 re-appointed Mr. Valerine Frank as a Wholetime Director of the Company, for the Period from 27th March, 1997 to 30th June, 2000, subject to the approval of the Shareholders. Further modification as to increase in remuneration from Rs.35,000/- to Rs.42,500/- retrospective effect from 1st January 1997 and for the unexpired period of his present contract upto 30th June 2000 with corresponding increase in the payment of commission and value of perquisites under the same heads as before except that the medical reimbursement will be as per rules of the Company and that the perquisites shall be on actual basis was approved at the Board Meeting held on 2nd July, 1997. The terms and conditions governing the re-appointment of Mr. Valerine Frank and the remuneration payable to him is within the norms laid down in Schedule XIII of the Companies Act, 1956 as amended and reproduced here below:

- a) Salary : Rs.42,500/- per month.
- b) Commission : At 1% of the net profits of the Company, computed in the manner laid down under Section 309 (5) of the Companies Act, 1956, subject to a ceiling of 50% of the salary per annum whichever is less.
- c) Perquisites : This shall be allowed in addition to salary and commission.  
Such perquisites are classified under 3 categories as under :

**Category A**

- i) Housing - The expenditure by the Company on hiring accommodation shall not exceed 50% of the Salary over and above 10% payable by Mr. Frank to the Company. In the event he makes his own arrangement for accommodation Mr. Frank shall be entitled to a house rent allowance upto 50% of the salary over and above 10% payable by him. The expenditure incurred by the

SESA GROUP

**SESA GOA**

Company on gas, electricity, water and furnishing shall be valued as per the Income - tax Rules, 1962 subject to a ceiling of 10% of the salary.

- ii) Medical Reimbursement - Expenses incurred for self and family as per the rules of the Company.
- iii) Leave Travel Concession - For self and family once in a year to and from any place in India in accordance with the rules of the Company.
- iv) Leave - On full pay and allowances as per the rules the Company but not exceeding one month's leave for every eleven months of service.
- v) Club Fees - Annual membership fee shall be borne by the Company upto a maximum of two clubs, provided that no life membership or admission fee is payable by the Company.
- vi) Personal Accident Insurance - Premium not to exceed Rs.1000/- per annum.

For the purpose of Category A "Family" means wife, dependent children and dependent parents.

#### **Category B**

The Company's contribution to Provident Fund/Superannuation Fund not exceeding 25% of the salary as laid down by the Income-tax Act or by the rules made thereunder.

Gratuity - As per the rules of the Company and from the date of commencement of employment with the Company

#### **Category C**

The Company shall provide a car with driver for business and personal use and telephone facility at his residence. The provision of car for the use on Company's business and telephone facility at the residence will not be considered as perquisites. Personal long distance calls on telephone shall be billed by the Company to Mr. Valerine Frank. Perquisites value of the personal use of car with driver shall be calculated as per the Income-tax Rules, 1962.

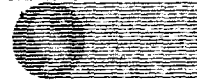
No Director of the Company other than Mr. Valerine Frank is interested in the Resolution.

#### **ITEM NO. 7**

The Board of Directors of the Company at its meeting held on 5th March, 1997 appointed Mr. Yasushi Takagi as a Wholetime Director of the Company, for the period of 3 years with effect from 1st April, 1997. Mr. Yasushi Takagi will be liable for retirement by rotation pursuant to Section 256 of the Companies Act, 1956. The Board of Directors of the Company at their meeting held on



SESA GROUP



SESA GOA

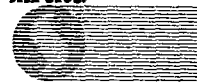
2nd July, 1997 approved increase in remuneration from Rs.40,000/- to Rs.42,500/- per month effective from 1st April, 1997 for the period of his Contract upto 31st March, 2000 with corresponding increase in the payment of commission and value of perquisites.

The remuneration proposed is within the norms to the Schedule XIII of the Companies Act, 1956 as amended and reproduced herebelow :

- a) Salary : Rs.42,500/- per month.
- b) Commission : At 1% of the net profits of the Company, computed in the manner laid down under Section 309 (5) of the Companies Act, 1956, subject to a ceiling of 50% of the salary per annum whichever is less.
- c) Perquisites : This shall be allowed in addition to salary and commission.  
Such perquisites are classified under 3 categories as under :

#### Category A

- i) Housing - The expenditure by the Company on hiring accomodation shall not exceed 50% of the Salary over and above 10% payable by Mr. Y. Takagi to the Company. In the event he makes his own arrangement for accomodation Mr. Y. Takagi shall be entitled to a house rent allowance upto 50% of the salary over and above 10% payable by him. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income - tax Rules, 1962 subject to a ceiling of 10% of the salary.
- ii) Medical Reimbursement - Expenses incurred for self and family as per the rules of the Company.
- iii) Leave - On full pay and allowances as per the rules of the Company but not exceeding one month's leave for every eleven months of service.
- iv) Club Fees - Annual membership fee shall be borne by the Company upto a maximum of two clubs, provided that no life membership or admission fee is payable by the Company.
- v) Personal Accident Insurance - Premium not to exceed Rs.1000/- per annum.
- vi) Leave Travel Concession - For self and family once in a year to and from any place in India in accordance with the rules of the Company.



vii) Passage Benefits - For self and family for visits to Japan once a year by first class air passage. They will also be entitled to single first class air tickets fully paid by the Company at the time of joining to come to India and at the end of the Contract for return to Japan as well as payment of all reasonable baggage transport expenses and justified travelling expenses incurred both ways.

viii) Holiday passage for children studying outside India - Return holiday air passage for the children of Mr. Takagi shall be provided by the Company from their place of study abroad to India once in a year by first class.

For the purpose of Category A "Family" means wife, dependent children.

#### **Category B**

Mr. Yasushi Takagi shall be entitled to a Gratuity in accordance with the Rules of the Company.

#### **Category C**

The Company shall provide a car with driver for business and personal use and telephone facility at his residence. The provision of car for the use on Company's business and telephone facility at the residence will not be considered as perquisites. Personal long distance calls on telephone shall be billed by the Company to Mr. Yasushi Takagi. Perquisites value of the personal use of car with driver shall be calculated as per the Income-tax Rules, 1962.

No Director of the Company other than Mr. Yasushi Takagi is interested in the Resolution.

#### **ITEM NO. 8**

Mr. Antonino Giovinazzo was appointed as Wholetime Director of the Company, effective from 1st January, 1995 and as Managing Director effective from 1st July, 1995 for the term of 3 years, i.e. upto 31st December 1997 and the terms for his appointment were approved at the Annual General Meeting held on 28th September, 1995. The appointment was also approved by the Central Government Department of Company Affairs by its letter No.4/143/95-CL.IX dated 22nd December, 1995.

Having regard to increased activities of the Company and the additional responsibilities being shouldered by Mr.A. Giovinazzo the Board of Directors propose to increase the salary of Mr.A. Giovinazzo from Rs.45,000 to Rs.55,000 per month retrospective effect from 1st January, 1997 for