



**SESA GROUP**

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1997-98

33rd Annual Report

**SESA GOA LIMITED**

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**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173  
OF THE COMPANIES ACT, 1956**

**ITEM NO. 6**

The Board of Directors of the Company by a Circular Resolution dated 9th January, 1998 appointed Mr. Christopher Michael Brown as Managing Director of the Company for a period effective from 1st February, 1998 to 31st March, 2001.

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

- a) Salary : Rs.55,000/- 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. Christopher Michael Brown to the Company. In the event he makes his own arrangement for accommodation Mr. Christopher Michael Brown shall be paid a house rent allowance of 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 will be as per the rules of the Company.

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**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 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 17th August, 1998 to 31st August, 1998 (both days inclusive).
- d) Those who wish to present the share transfer applications at Mumbai may henceforth lodge them with Intime Share Services Private Limited, 260 - A, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (W) Mumbai 400 080 who have been appointed as Company's Share transfer collection agents with effect from 18th June, 1998 in place of Amalgamated Investments Ltd., Mumbai
- e) 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 20th October, 1998 to those Members whose names will appear on the Company's Register of Members as on 17th August, 1998. Members are requested to notify immediately any change in their address.
- f) 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 1993-94 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.
- 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.
- h) The Company is pleased to inform that a Tripartite Agreement with National Securities Depository Limited (NSDL) and Intime Share Services Private Limited (Depository Transfer Agents) has been signed for admitting the Company's shares under the Depository System.

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Mr. Christopher Michael Brown is interested in the Resolution, which if passed, will benefit him. No other Director is interested in this Item.

- Copy of the existing Contract of Mr. C.M. Brown is available for inspection at the Registered Office of the Company on any working day during office hours.

The above statement under item 6 may also be regarded as abstract of the terms and conditions and memorandum of interest under Section 302 of the Companies Act, 1956.

By Order of the Board

**SESA GOA LIMITED**

C.D.CHITNIS

SECRETARY & GM-CORP. AFFAIRS.

Place : Panjim, Goa - 403 001

Dated : 24th June, 1998

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- 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) Passage Benefits - For self and family for visits to Canada 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 Canada as well as payment of all reasonable baggage transport expenses and justified expenses incurred both ways.
- vii) Holiday passage for children studying outside India - Return holiday air passage for the children of Mr.Christopher Michael Brown shall be provided by the Company from their place of study abroad to India once in a year by business class.

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

#### **Category B**

Mr. Christopher Michael Brown shall be entitled to a Gratuity in accordance with the Rules of the Company or in case of service of less than five years @15 days salary for every completed one year of service.

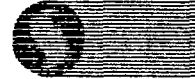
#### **Category C**

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. Christopher Michael Brown. Perquisite value of the personal use of car with driver shall be calculated as per the Income-tax Rules,1962.

In case of loss or inadequacy of profits, in any year, salary shall be payable within the ceiling mentioned in Part II of Schedule XIII to the Companies Act, 1956 or any amendments thereto.

The Company has since received necessary approval of the Central Government for appointment of Mr. C. M. Brown as Managing Director.

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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. Christopher Michael Brown during the aforesaid period."

By Order of the Board  
SESA GOA LIMITED

Place : Panjim, Goa - 403 001  
Dated : 24th June, 1998

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

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# 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-Third Annual General Meeting* of SESA GOA LIMITED will be held on Wednesday, 16th September, 1998 at 5.00 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 1998 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. R.K. Mirchandani, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. K. Momii, 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

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

"RESOLVED that Mr. Christopher Michael Brown be appointed, pursuant to article 110 of the Articles of Association of the Company, a Director liable to retire by rotation."

"RESOLVED FURTHER that pursuant to the provisions of Sections 198, 269, 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. Christopher Michael Brown as Managing Director of the Company, with effect from 1st February 1998 to 31st March 2001 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



MD	✓			BKC	✓
CS	✓			DPY	✓
RO	✓			DIV	✓
TRA	✓			AC	✓
AGM	✓	✓		SHI	✓
YE	✓	✓	✓		✓

## SESA GOA LIMITED

### REGISTERED OFFICE :

Sesa Ghor, 20 EDC Complex, Patto, Panjim, Goa 403 001

### DIRECTORS :

T. Pooran	Chairman
H. K. Bilpodiwala	
R. K. Mirchandani	
K. Momii	
P. F. X. D'Lima	Wholetime Director
V. Frank	Wholetime Director
Y. Takagi	Wholetime Director
C. M. Brown	Managing Director

### SECRETARY :

C. D. Chitnis

### AUDITORS :

S. J. Thaly & Co.  
Chartered Accountants,  
Panjim - Goa.

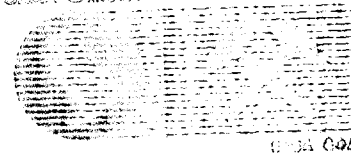
### SOLICITORS :

T. Pooran & Co.,  
Taj Building,  
210, D. Naorji Road,  
Mumbai - 400 001.

### BANKERS :

Canara Bank  
State Bank of India  
Standard Chartered Bank

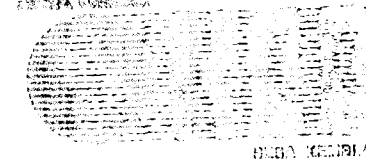
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## DIRECTORS' REPORT

To the Members,

The Directors' herewith present the Annual Report of the Company together with the Audited Statements of Accounts for the Financial Year ended 31st March 1998.

## FINANCIAL RESULTS

	1997-98 (Rs. in Lakhs)	1996-97 (Rs. in Lakhs)
Profit for the year, before provisions for depreciation and taxation	3989.62	3030.63
Less: Depreciation	924.21	839.82
Provision for Taxation	300.00	425.00
Profit after Depreciation & Taxes	2765.41	1765.81
Add: Investment Allowance (Utilised) Reserve written back	93.50	117.36
Add: Debenture Redemption Reserve written back	161.43	48.00
Add: Balance brought forward from the preceding year	1365.02	202.02
Profit available for appropriation	<u>4385.36</u>	<u>2133.19</u>

### Appropriations :

Debenture Redemption Reserve	—	27.01
Dividend (including for Previous year as per Court order)	492.39	491.96
Tax on Distributed Profit	49.20	49.20
General Reserve	2300.00	200.00
Balance carried to Balance Sheet	1543.77	1365.02
	<u>4385.86</u>	<u>2133.19</u>

## DIVIDEND

Your Directors recommend for your consideration, payment of Dividend for the year ended 31st March 1998 of Rs. 2.50 per share. While such Dividend will be free of Income-tax in the hands of the Shareholders, the Company has to pay Income-tax thereon at 10%.