

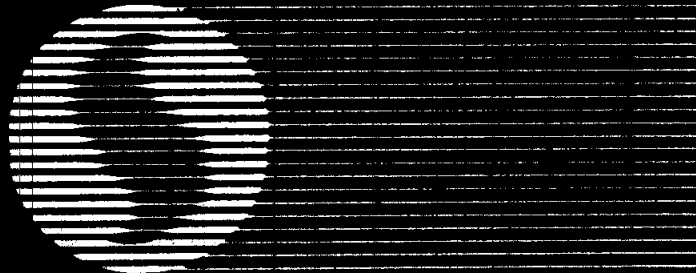
SESA GOA LIMITED

36th Annual Report

2000-2001

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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-Sixth Annual General Meeting of SESA GOA LIMITED will be held on Thursday, 27th September, 2001 at 11.00 a.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, 2001 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 Dr. K. S. Subramanian who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. S. D. Kulkarni who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. P. G. Kakodkar who retires by rotation and being eligible offers himself for re-appointment.
6. 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:

7. "RESOLVED 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 if required, the Company hereby accords its approval to the re-appointment of Mr. Christopher Michael Brown as Managing Director of the Company for the period from 1st April, 2001 to 31st March, 2003 and to the payment of remuneration, with base salary of Rs. 70,000/- per month more particularly 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. Christopher Michael Brown 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 remuneration of Mr. Arun Kumar Rai, Wholtime Director be and is re-fixed with base salary of Rs. 47,000/- per month effective from 1st April, 2001 in the scale of Rs. 47,000/- to Rs.1,00,000/- more particularly 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. Arun Kumar Rai."



9. "RESOLVED that pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration of Mr. Prasun Kumar Mukherjee, Wholetime Director, be and is re-fixed with base salary of Rs. 40,000/- per month effective from 1st April, 2001 in the scale of Rs. 40,000/- to Rs. 1,00,000/- more particularly 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. Prasun Kumar Mukherjee."
10. "RESOLVED that in partial modification of Resolution passed at the Annual General Meeting of the Company held on 27th September, 2000 and pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions of the Companies Act, 1956, the Company hereby accords its approval for modification in the Contract relating to the housing perquisites of Mr. Mitsuo Kanazashi, Wholetime Director of the Company, which will be as per rules of the Company effective from 1st April, 2001 more particularly set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting."
11. "RESOLVED that the present Articles of Association of the Company be altered pursuant to Section 31 of the Companies Act, 1956 in the following manner:
- I. The following clauses be inserted in the existing Article 2 of the Articles of Association of the Company alphabetically at appropriate places:

Beneficial Owner	" 'Beneficial Owner' means the beneficial owner as defined in Clause (a) of Sub-section (1) of Section 2 of the Depositories Act, 1996 and every person holding equity shares of the Company and whose name is entered as Beneficial Owner in the records of a depository shall be deemed to be a Member of the Company."
Depository Act	" 'Depository Act' means the Depositories Act, 1996 and shall include any statutory modification(s) or re-enactment thereof for the time being in force."
Depository	" 'Depository' shall mean a Depository as defined under Clause (e) of Sub-section (1) of Section 2 of the Depositories Act, 1996."
Employees stock option	" 'Employees stock option' means the option given to the whole-time directors, officers or employees of a Company, which gives such directors, officers or employees the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at pre-determined price."
Securities	" 'Securities' means securities as defined in Clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and includes hybrids."
Share with differential rights	" 'Share with differential rights' means a share that is issued with differential rights in accordance with the provisions of Section 86."
Dividend	For the existing definition of " Dividend " the following shall be substituted namely; "Dividend includes any interim dividend".
 - II. To insert the following proviso in Article 5 of the Articles of Association of the Company:

"PROVIDED that the Company may issue the equity share capital with differential rights as to dividend, voting or otherwise in accordance with Section 86 of the Act and rules framed pursuant thereto."
 - III. To insert in Article 14(C) after the words "to subscribe for Shares", the words "or to subscribe for Employees Stock Option", "or to subscribe for Share with Differential Rights", "or to subscribe for Sweat Equity Shares."



- IV. To insert the following new Clause D after Clause C in Article 14 of the Articles of Association of the Company:

Issue of Sweat Equity Shares "Notwithstanding anything contained in Section 79 of the Act, the Company may issue Sweat Equity Shares of a class of shares already issued, subject to the terms and conditions prescribed in Section 79A of the Act."

- V. To add the following proviso in Article 15 of the Articles of Association of the Company:

"PROVIDED that the Board of Directors may issue shares with differential voting rights subject to provision of Article 5 of the Articles of Association or Sweat Equity Shares subject to Article 14D of the Articles of Association or Employees stock option subject to Section 81 of the Act."

- VI. To insert the following new Clause D after Clause C in Article 20 of the Articles of Association of the Company:

"No certificate of any share or shares shall be issued where such share or shares are being held in an electronic and fungible form as per the provisions of the Depositories Act, 1996."

- VII. The existing Article 23 of the Articles of Association of the Company be re-numbered as Article 23(1) and following new Clause be added:

Facility of Nomination "(2) Every holder of shares, debentures or securities of the Company may, at any time, nominate, in the prescribed manner, a person, to whom his or her shares, debentures or securities shall vest in the event of his or her death. Where such shares, debentures or securities are held by more than one person, jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares, debentures or securities of the Company shall vest in the event of death of all the joint holders. Where nomination has been made as aforesaid, which confers on the nominee, the right to vest the shares, debentures or securities of the Company, the nominee shall, on the death of the shareholder or the holders of debentures or holder of the securities of the Company or on the death of joint holders, as the case may be, be entitled to all the rights in the shares, debentures or securities of the company or of the joint holders in relation to such shares, debentures or securities, to the exclusion of all other persons, until the nomination is varied or cancelled, the right of the nominee shall remain valid and effectual, notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise. Where the nominee is a minor, it shall be lawful for the holder of the shares, debentures or securities, to make nomination to appoint, in the prescribed manner, any person to become entitled to shares, debentures or securities of the Company, in the event of his or her death, during the minority of the nominee. A nominee, upon the production of such evidence as may be required by the Board, elect either to be registered as holder of the shares, debentures or securities, as the case may be, or to make such transfer of the shares, debentures or securities, as the deceased shareholder or debenture holder or security holder could have made. All the provisions of Sections 109A and 109B of the Act shall apply."

- VIII. The existing Article 24 of the Articles of Association of the Company be re-numbered as Article 24(1) and following new clause be added:

Power of Company to purchase its own securities "(2) Notwithstanding the provision contained in Article 24 (1), the Company may purchase its own shares or other specified securities out of
 (i) its free reserves; or
 (ii) the securities premium account; or
 (iii) the proceeds of any shares or other specified securities.
 Subject to provisions of Sections 77A, 77AA & 77B of the Act."



IX. The existing Article 53 of the Articles of Association of the Company be re-numbered as Article 53 (1) and following new clauses be added:

Beneficial Owner deemed as member	"(2) Nothing contained in "Clause (1)" of Article 53 shall apply to transfer of Security effected by the transferor and the transferee both of whom are entered Beneficial Owners in the records of a Depository."
Securities in Fungible form	"(3) In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 together with its amendments, if any, shall apply."
Transfer of Depository Shares and Debentures	"(4) The provisions contained in this Articles of Association with regard to transfer or transmission of shares, debentures or any other securities effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository."
Rectification of Register on Transfer	"(5) With regard to the rectification of Register on transfer, all the provisions of Section 111A of the Act, as may be in force from time to time shall also apply."
Allotment of Shares and Debentures under Depository	"(6) Notwithstanding anything contained in Sub-Section (1) of Section 113 of the Act or any modification(s) or re-enactment(s) thereof, where the shares, debentures or any other securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such shares, debentures or any other Securities as far as practicable."
Distinctive numbers not required under Depository	"(7) Provisions contained in this Articles of Association about recording distinctive numbers of shares or debenture holder respectively in the Register of Members or Register of Debenture holders of the Company shall not apply to the shares or debentures or any other securities which are held with a depository."
Register and Index of Beneficial Owner	"(8) The Register and Index of Beneficial Owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall also be deemed to be a Register and Index of Members and Register and Index of Debenture holders, as the case may be, for the purposes of this Articles of Association and the Act."

X. The existing Article 87 of the Articles of Association of the Company be renumbered as Article 87 (1) and the following new clause be added:

"(2) Notwithstanding anything contained herein in the Articles of Association of the Company, in the case of resolutions relating to such business as the Central Government may by notification declare to be conducted only by postal ballot, the Company shall get such resolution passed by means of a postal ballot or electronic mode in terms of Section 192A of the Companies Act, 1956, as amended, instead of transacting the business in General Meeting of the Company."

XI. The existing Article 116 of the Articles of Association of the Company be re-numbered as Article 116(1) and following new clause be added:

"(2) A person shall not be capable of being appointed Director of the Company if he is disqualified under the provisions of Section 274 for the time being in force and any other provisions contained in the Companies Act, 1956."

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XII. To replace in Article 148(10) the words "370 and 372" by the words "and 372A."

XIII. To add the following words at the end of Article 155 of the Articles of Association:

"Subject to provisions of Section 205 of the Act".

XIV. To insert in Article 164 after the words "Section 205A" the words "and Section 205B."

"RESOLVED FURTHER that the Board of Directors be and are hereby authorized to make such amendments in the Articles of Association as may also be consequential or necessary as a result of the amendments aforesaid in the Articles of Association as also to take other steps as may be necessary, desirable or proper to give effect to this resolution."

By Order of the Board
SESA GOA LIMITED

Place : Panjim, Goa—403 001
Dated : 14th June, 2001

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

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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 Nos. 7 to 11 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 FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- c) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 7th August, 2001 to Thursday, 9th August, 2001 (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 to those members whose names appear on the Company's Register of Members as on 6th August, 2001. Members are requested to notify immediately any change in their address.
- e) The information as required to be provided under the Listing Agreement entered into with various Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed in respect of business under Item No. 7 above is given hereunder:

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT.

Name : Mr. Christopher Michael Brown.

Age : 54 years.

Qualifications : Honours B.Sc. Degree, Mineral Technology Associate, Royal School of Mines, Diploma of Membership of Imperial College, London, 1968.

Expertise : 33 years of experience in Mining Industry, of which, 23 years in Canada; 4 years i.e. 1990-94 as General Manager – OK Tedi Mining Limited, Tabubil, Papua New Guinea; 1994-97 as General Manager – Strategic Development, BHP – Iron Ore, BHP Pty Ltd., Perth, Western Australia; Managing Director of Company since 1-2-1998.

Other Directorships :

Sr. No.	Name of the Company	Position held	Committee Type	Membership Status
1.	Sesa Industries Limited	Managing Director	—	—
2.	Sesa Kembla Coke Co. Ltd.	Chairman	—	—



ANNEXURE TO NOTICE

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

ITEM NO. 7

Mr. Christopher Michael Brown was appointed as Managing Director from 1st February, 1998 to 31st March, 2001 and his appointment was approved at the Annual General Meeting held on 16th September, 1998. The Board at its meeting held on 28th March, 2001 approved the re-appointment and payment of remuneration of Mr. C. M. Brown as Managing Director of the Company for the period from 1st April, 2001 to 31st March, 2003. The proposed remuneration is within the norms laid down in Schedule XIII to the Companies Act, 1956 as amended and as reproduced herebelow.

- a) Salary : Rs. 70,000/- 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 – As per rules of the Company.
- ii) Medical Reimbursement – Expenses incurred for self and family will be as per the rules of the Company.
- iii) Leave – Five weeks leave inclusive of travel time in each year of completed service. The availment/accumulation and encashment of leave will be as per rules of the Company.
- iv) Leave Travel Concession – As per the rules of the Company.
- v) Club Fees – Annual membership and entrance fees shall be borne by the Company for upto two clubs. However, life membership fees will not be paid by the Company.
- vi) Personal Accident Insurance – Coverage by Policy for Rs. 5,00,000/-.
- vii) Passage Benefits – For self and family for visits to Canada once a year by first class air passage. He will also be entitled to single first class air tickets for self and family fully paid by the Company at the end of the Contract for return to Canada as well as payment of all reasonable baggage transport expenses and justified traveling expenses incurred both ways.

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

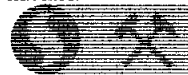
Category B

Mr. C. M. 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 a telephone facility at the principal place of residence.

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



The appointment of Mr. C. M. Brown will be subject to Article 111 of the Articles of Association of the Company. Mr. C. M. Brown will not be entitled to sitting fees for attending Board/Committee Meetings of the Company.

The remuneration is subject to the provisions of the Income Tax Act, as applicable from time to time.

Mr. C. M. 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.

ITEM NO. 8

Mr. Arun Kumar Rai was appointed as Wholetime Director of the Company with effect from 1st February, 1999 for a period of five years and terms of his appointment were approved at the Annual General Meeting held on 29th September, 1999.

Having regard to the increased activities of the Company and the Additional responsibility being shouldered by Mr. A. K. Rai, the Board of Directors have decided to increase the remuneration and modify the terms of contract of Mr. Arun Kumar Rai as under:

1. Period

The variation in the terms of Contract will be effective from 1st April, 2001 upto the remainder of his tenure i.e. 31st January, 2004.

If, however, because of circumstances, events or causes beyond their control, either party is compelled to terminate this Contract before completion of the contractual period(s), a notice of not less than six months will have to be given by either party for the termination of the Contract, provided that in the event Mr. A. K. Rai ceases to hold the office of Director, he shall ipso facto and immediately cease to be Wholetime Director and the Contract shall come to an end without any obligation on either party.

The appointment of Mr. A. K. Rai will also be subject to Article 111 of the Articles of Association of the Company.

2. Remuneration effective from 1st April, 2001

- a) Base Salary : Rs. 47,000/- per month (in the scale of Rs. 47,000/- to Rs. 1,00,000/-). Salary shall normally be subject to review for competitiveness annually thereafter, being adjusted as appropriate and as approved by the Board.
- b) Executive Allowance : 20% of monthly Base Salary payable each month.
- c) Performance linked pay : Eligible for variable performance payments, normally made once annually following the end of the preceding fiscal year. Payments will be linked to individual, team and business performance achieved that year and may range upto 50% of annual base salary paid as approved by the Board.
- d) Perquisites : In addition to Base Salary, Performance linked pay and Executive Allowance are classified in 3 categories as under:

Category A

- i) Housing – As per rules of the Company.
- ii) Medical Reimbursement – Expenses incurred for self and family will be as per the rules of the Company.
- iii) Leave Travel Concession – For self and family once in a year in accordance with the rules of the Company.
- iv) Leave – Five weeks leave inclusive of travel time for each year of completed service. The availment/ accumulation and encashment of leave will be as per rules of the Company.



- v) Club Fees – Annual membership and entrance fees shall be borne by the Company for upto two clubs. However, life membership fees will not be paid by the Company.
 - vi) Personal Accident Insurance – Coverage by Policy for Rs. 5,00,000/-.
- For the purpose of Category A "Family" means wife, dependent children and dependent parents.

Category B

The Company's contribution to Provident Fund and Superannuation Fund will be as per rules of the Company.

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 and driver for business and personal use and a telephone facility at the principal place of residence.

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

Mr. A. K. Rai will not be entitled to sitting fees for attending Board/Committee Meetings of the Company.

The remuneration is subject to the provisions of the Income tax Act, as applicable from time to time.

Mr. A. K. Rai 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. A. K. Rai is available for inspection at the Registered Office of the Company on any working day during office hours.

ITEM NO. 9

Mr. Prasun Kumar Mukherjee was appointed as Wholtime Director of the Company with effect from 1st July, 2000 for a period of five years and terms of his appointment were approved at the Annual General Meeting held on 27th September, 2000.

Having regard to the increased activities of the Company and the Additional responsibility being shouldered by Mr. Prasun Kumar Mukherjee the Board of Directors have decided to increase the remuneration and modify the terms of contract of Mr. Prasun Kumar Mukherjee as under:

1. Period

The variation in the terms of Contract will be effective from 1st April, 2001 upto the remainder of his tenure i.e. 30th June, 2005.

If, however, because of circumstances, events or causes beyond their control, either party is compelled to terminate this Contract before completion of the contractual period(s), a notice of not less than six months will have to be given by either party for the termination of the Contract: provided that in the event Mr. P. K. Mukherjee ceases to hold the office of Director, he shall ipso facto and immediately cease to be Wholtime Director and the Contract shall come to an end without any obligation on either party.

The appointment of Mr. P. K. Mukherjee will also be subject to Article 111 of the Articles of Association of the Company.