

MINUTES OF THE PROCEEDINGS OF THE TWENTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF JSW ISPAT STEEL LIMITED HELD AT KALA KUNJ, 48, SHAKESPEARE SARANI, KOLKATA 700017 ON WEDNESDAY, THE 21ST DECEMBER, 2011 AT 11.30 A.M.

Present : Directors

Mr Vinod Kothari - Director
Mr U Mahesh Rao - Director and Member
Mr B K Singh - Chief Executive Officer

Members

783 Members present in person and through representatives.

Statutory Auditors

Mr. Sanjay Agrawal, representing, M/s. S R Batliboi & Co.

1. **Chairman**

In terms of Article 100 of the Articles of Association of the Company, Mr. Manoj Gupta, a member proposed to elect Mr. Vinod Kothari, a Director, as the Chairman of the meeting, in the absence of the Chairman of the Board of Directors of the Company. Mr. J N Kundu, a member, seconded the proposal. Mr. Vinod Kothari was unanimously elected by the members as the Chairman of the meeting.

2. **Quorum**

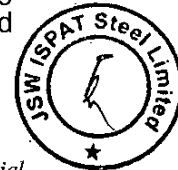
The Chairman declared that the requisite quorum, pursuant to Section 174 of the Companies Act, 1956 and Article 97 of the Articles of Association of the Company, was present and, thereafter, proceeded with the business of the meeting.

3. **Register of Directors' Shareholding.**

The Register of Directors' Shareholding maintained pursuant to Section 307 of the Companies Act, 1956 was produced at the commencement of the meeting and kept open and accessible during the continuance thereof.

4. **Notice of the meeting.**

With the consent of the members present, the Notice convening the meeting together with the explanatory statement annexed thereto was taken as read.



5. **Chairman's Speech.**

The Chairman in his speech to the members of the Company outlined the following: -

a. **Steel Scenario**

Uncertainties prevailing in the overall economic landscape across the world have resulted in high unemployment, negative growth and increasing inflation levels. The wide diminishment in business optimism due to slow economic growth in the developed markets, volatile swings in currency values and declines in stock markets have added to the overall negative business sentiment. As a result, the global steel industry has been severely impacted and is facing challenges of subdued demand and increasing commodity prices. The slow global economic recovery and the debt crisis in Eurozone have significantly weakened investment prospects. Moreover, the inflationary pressures on commodity prices have resulted in steep escalation of steel-making costs and lower margins.

The Indian economy has currently hit a rough patch. Economic growth is expected to be lower at 7.5% against growth of 9% projected at the beginning of the current fiscal. Public finances are under stress and fiscal deficit is expected to widen. There has been a general slow-down in the overall levels of production, across all sectors. Inflation levels continue to remain high. Borrowing costs for corporates have been extraordinarily high, impacting industrial investment. The global economic slowdown has a significant bearing on demand for Indian products overseas as well as the flow of capital into the country. During the current year, steel demand has been flat due to inflationary pressures. Capital investment by Indian industries has severely curtailed and infrastructure spend is at very low levels.

b. **Current market outlook**

It is estimated that steel production in the second half of 2012 shall be in excess of production in the first half. The underlying reasons for estimation were explained.

c. **Company's Operations**

Company's operational performance during the financial year ended 30th June, 2011 was explained. Technical upgradation of facilities and maintenance activities undertaken during November and December, 2010 at the Company's Dolvi Steel



Complex, plant shut-down during the period and the resultant incidence of lower production in all segments were explained.

- d. Restriction in availability of Natural Gas and its cascading effect on input prices and impact on production of Direct Reduced Iron was explained.
- e. Various cost reduction initiatives undertaken by the Company, such as, usage of alternate grades of raw material, successful in-house commissioning of natural gas injection in blast furnace and lower usage of fluxes were explained.
- f. Increase in bench mark prices for key inputs, viz., iron ore, coal, coke natural gas etc., are likely to push up cost of production during the current financial year.
- g. Highlights of Company's financial results (standalone) for the financial year ended 30th June, 2011 were explained.
- h. Management and control of the company stand fully vested in JSW Steel Limited , upon its acquisition of equity shares in the company and upon completion of all statutory formalities.

The name of the company stands changed to JSW ISPAT Steel Limited , pursuant to requisite statutory approvals.

- i. Highlights of strategic initiatives undertaken by the Company to ensure long-term sustainability, including synergies of operation between the Company and JSW Group, proposed implementation of coke-oven, iron ore pellet and lime calcining projects, cold rolling and railway siding facilities, additional colour coating line at Kalmeshwar Complex and plans to enhance production of value added products as well as penetration of retail segment were explained.
- j. Corporate Social Responsibility initiatives undertaken by the Company.
- k. Environment management initiatives of the Company as well as policies adopted for strengthening human relations.

6. Auditor's Report.

On the advice of the Chairman, the Company Secretary read out the Report of the Auditors to the members of the Company on the Accounts for the year ended 30th June, 2011.



7. **Adoption of Annual Accounts for the year ended 30th June, 2011 and Directors' and Auditors' Reports thereon.**

Mr. M S Dey, a member of the Company, proposed the following resolution to be passed as an Ordinary Resolution :-

“RESOLVED THAT the audited Balance Sheet as at 30th June, 2011 and the Profit and Loss Account of the Company for the year ended on that date together with the Reports of the Auditors and Directors thereon be and are hereby approved and adopted.”

Mr. B K Mehta, a member of the Company, seconded the resolution.

The Chairman, thereafter, invited questions from the members on the Accounts of the Company for the year ended 30th June, 2011. Members present raised queries, inter-alia, on the following :-

- Chairman of the Board of Directors of the Company and certain other Directors not attending the meeting;
- Net loss of Rs.1806 Crores incurred by the Company during the year;
- Exception items of Rs.1181 Crores, representing provision made in the accounts towards doubtful debts/ advances, diminution in value of investments, inventory etc.
- Company's plans to ensure long-term sustainability.
- Status of completion of refinancing of CDR debts.
- Status of power project proposed to be implemented by Ispat Energy Limited, subsidiary of the Company.
- Status of iron ore and coal mining projects respectively proposed by Erebus Limited and Arima Holdings Limited, overseas subsidiaries of the Company.
- Status of investment made by the Company in equity capital of JSW Energy Limited.
- Status of recovery of amount due from M/s. Peddar Realty Pvt. Ltd.
- Arrangements to ensure availability of Natural Gas.
- Schedule of implementation of various projects planned by the Company.
- Company's plans for capital infusion, if any.
- Status of representation to Ministry of Corporate Affairs for approval of managerial remuneration.
- Steps to be taken for containing overall cost of production.
- Steps taken to ensure safety, health and environment issues as well as the Company's quality policy.



At the outset, the Chairman informed the members that Mr. Sajjan Jindal, Chairman of the Board of Directors of the Company, could not attend the meeting due to certain unforeseen compelling circumstances. Though the Chairman of the Board of Directors was originally scheduled to attend the meeting, he had to change his plans at the last minute owing to such circumstances.

Thereafter, the Chairman proceeded to reply to queries raised by various shareholders. The queries raised and concern expressed by shareholders were suitably replied / clarified by the Chairman as well as Mr. B K Singh, Chief Executive Officer.

The Chairman, thereafter, put the resolution to vote by show of hands. Since one member dissented on vote by show of hands, the Chairman declared that the resolution was passed by majority as an Ordinary Resolution.

8. Re-appointment of Mr U Mahesh Rao as a Director.

Mr. M K Bubna, a member of the Company, proposed the following resolution as an Ordinary Resolution:-

“RESOLVED THAT Mr U Mahesh Rao a Director of the Company, who retires from the Board by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.”

Mr. Sarbanandan Gattani, a member of the Company, seconded the resolution.

The Chairman, thereafter, put the resolution to vote by show of hands. Since no member dissented on vote by show of hands, the Chairman declared that the resolution was passed unanimously as an Ordinary Resolution.

9. Re-appointment of Mr. B K Singh as a Director

Mr. J N Kundu, a member of the Company, proposed the following resolution as an Ordinary Resolution:-

“RESOLVED THAT Mr. B K Singh, Director of the Company, who retires from the Board by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.”

Mr. Om Prakash Gupta, a member of the Company, seconded the resolution.



The Chairman, thereafter, put the resolution to vote by show of hands. Since no member dissented on vote by show of hands, the Chairman declared that the resolution was passed unanimously, as an Ordinary Resolution.

10. **Appointment of Auditors.**

Mr. Manoj Gupta, a member of the Company, proposed the following resolution as an Ordinary Resolution:-

“RESOLVED that pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s.S R Batliboi & Co., Chartered Accountants be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors be and is hereby authorized to fix their remuneration.”

Mr. Pannalal Giria, a member of the Company, seconded the resolution.

The Chairman, thereafter, put the resolution to vote by show of hands. Since no member dissented on vote by show of hands, the Chairman declared that the resolution was passed unanimously, as an Ordinary Resolution.

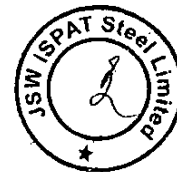
Special Business

11. **Re-appointment of Mr. Sajjan Jindal as a Director**

Mr. Santosh K Saraf, a member of the Company, proposed the following resolution as an Ordinary Resolution:-

“RESOLVED THAT Mr Sajjan Jindal, who was appointed by the Board of Directors as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

Mr. J N Kundu, a member of the Company, seconded the resolution.



The Chairman, thereafter, put the resolution to vote by show of hands. At this juncture, Mr. Ramjilal Choudhary, a member holding 27401 Equity Shares, demanded a poll on the resolution. The Chairman ordered verification of validity of the demand for poll and proceeded with the remaining items of business.

12. Re-appointment of Mr. Seshagiri Rao MVS as a Director

Mr. Manoj Gupta, a member of the Company, proposed the following resolution as an Ordinary Resolution:-

“RESOLVED THAT Mr Seshagiri Rao MVS, who was appointed by the Board of Directors as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

Mr. Alok Pal, a member of the Company, seconded the resolution.

The Chairman, thereafter, put the resolution to vote by show of hands. Since one member dissented on vote by show of hands, the Chairman declared that the resolution was passed by majority, as an Ordinary Resolution.

13. Re-appointment of Mr. Haigreve Khaitan as a Director

Mr. M S Dey, a member of the Company, proposed the following resolution as an Ordinary Resolution:-

“RESOLVED THAT Mr Haigreve Khaitan, who was appointed by the Board of Directors as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

Mr. B K Mehta, a member of the Company, seconded the resolution.

The Chairman, thereafter, put the resolution to vote by show of hands. Since one member dissented on vote by show of hands, the Chairman declared that the resolution was passed by majority, as an Ordinary Resolution.



14. **Re-appointment of Mr. Atul Sud as a Director**

Mr. Sanjoy Banerjee, a member of the Company, proposed the following resolution as an Ordinary Resolution:-

“RESOLVED THAT Mr Atul Sud, who was appointed by the Board of Directors as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

Mr. Alok Pal, a member of the Company, seconded the resolution.

The Chairman, thereafter, put the resolution to vote by show of hands. Since one member dissented on vote by show of hands, the Chairman declared that the resolution was passed by majority, as an Ordinary Resolution.

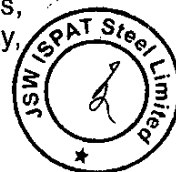
15. **Appointment and Remuneration of Mr. Anil Sureka, Executive Director (Finance) for the period 1st April, 2011 to 30th June, 2011.**

Mr. M K Bubna, a member of the Company, proposed the following resolution as an Ordinary Resolution:-

“RESOLVED THAT, pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to approvals of IFCI Ltd., the lead financial institution, and such other authorities, including Central Government, as may be required, the Company hereby approves the re-appointment of Mr Anil Sureka as Whole-time Director designated as Executive Director (Finance) of the Company for the period 1st February, 2011 to 30th June, 2011 upon the terms and conditions, including remuneration, as set out in the Explanatory Statement annexed to the Notice convening this meeting and as further set out in the Agreement submitted to this meeting.

Mr. Manoj Gupta, a member of the Company, seconded the resolution.

The Chairman, thereafter, put the resolution to vote by show of hands. Since one member dissented on vote by show of hands, the Chairman declared that the resolution was passed by majority, as a Special Resolution.



Thereafter, the Chairman referred to the demand for poll by Mr Ramjital Choudhary, a member, in respect of business at Item No.5 of the Notice convening the Annual General Meeting, relating to appointment of Mr.Sajjan Jindal as Director of the Company. The Chairman stated that, on verification of validity of the demand for poll, it was ascertained that the member demanding the poll holds the requisite number of shares, as stipulated in Section 179 of Companies Act, 1956. The Chairman accepted the demand for poll and declared that the poll on business at Item No.5 of the Notice convening the Annual General Meeting would be taken immediately. Upon being proposed, the Chairman appointed Mr.Manoj Gupta, a member and who is not an employee of the Company and Mr.Trilochan Sharma, as the scrutineers for the poll. The Chairman directed distribution of the ballot papers. After the ballot papers were distributed, the Chairman informed that polling shall continue upto 2.30 P.M. and, thereafter, the meeting shall stand adjourned for the purpose of counting of votes and declaration of results of the poll. The adjourned Annual General Meeting would be held at the same venue i.e. Kala Kunj, 48, Shakespeare Sarani, Kolkata – 700 017, at 4.00 P.M. for declaration of result of the poll.

After polling was completed at 2.30 P.M., the meeting was adjourned till 4.00 P.M.

**SD/-
CHAIRMAN**

