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स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED

No.CA-17(44)/11

October 4, 2011

The General Manager (MO)
Bombay Stock Exchange
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P.P. Tower,
Dalal Street, Fort,
Mumbai-400001
Fax No.022-22723121/3719

The Asstt. Vice President
National Stock Exchange of India Ltd.
Plot No.C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai-400 051.
Fax No.022-26598237/38

Sub:- Minutes of Annual General Meeting of SAIL

Dear Sirs,

In terms of Listing Agreement, we are sending herewith a copy of the minutes of 39th Annual General Meeting held on 22nd September, 2011 at NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001 for your information and record.

Yours faithfully,

(Devinder Kumar)
ED (F&A) & Secretary

Encl: as stated.

BOMBAY STOCK EXCHANGE LTD.
MUMBAI.
Received On
10 OCT 2011
.....
..... of Corporate Services

MD & CEO	MKT PLACE		SP&P	HR	INVEST
ROD					DOVAT
LEGAL	BOMBAY STOCK EXCHANGE LIMITED				DOT PRO
MS & D	176418				BS
BD & M	E				ROSS
IPF	17720				CRICAD
INTERL RELA	NO				U.S.E
BTI	INTER CONT'L	INF. PROD		ESTATE	CORP
ASERBOOK	DIS	CSD & ICCL	ADMIN.	SECUR	LISTING

4 The Chairman welcomed the esteemed members of the company and introduced the Directors of SAIL Board, including Chairman of the Audit Committee, present in the meeting.

4.1 While delivering his address to the shareholders of the company, the Chairman said that the world is continuing its journey to regain economic stability from the global meltdown of 2008. The industrialized countries have resumed positive growth after contracting in 2009, but economic prospects in many of these countries remain clouded with uncertainty with macro-economic imbalances and concerns about sovereign debt. Emerging markets are growing more robustly, being the driving engine for global growth and opportunity. However, economies worldwide in the immediate future have to cope with various difficult factors viz. steep increase in the commodity prices, particularly of crude oil, minerals and food items; and volatility in the currency and equity markets.

Speaking on Global Steel Industry Outlook, he mentioned that the global steel production, which had been severally impacted on account of the intervening global financial crisis, registered a smart recovery in 2010 with a record level of crude steel production of 1414 million tonne, up by 15% over 2009. The World finished steel consumption at 1283 million tonne in 2010 grew at 13% over the previous year. For 2011 and 2012, the World Steel Association (WSA) has projected a growth rate of 6% per annum in global steel consumption. Against the same, during the period Jan. - July, 2011, the global crude steel production at 887 million tonne was up by 8.3% over the production in the corresponding period of last year.

4.2 On Indian Scenario, the Chairman mentioned that revised estimate for GDP growth for 2010-11 is around 8%. Compared to other economies of the world, undoubtedly, India is growing at a faster pace and thereby creating demand for multi-sectoral investment. With respect to the Indian Steel Industry, as per WSA, India was the world's fourth largest producer of crude steel globally in 2010 with a production of over 68 million tonne. As per JPC estimate, the finished steel consumption of carbon steel in India grew by 10.8% in 2010-11 over the previous year. Over the past few years, consumption has been driven primarily by the continuous increase in infrastructure related investments. There exists a high potential for steel demand with increase in per capita consumption linked to higher income growth in the country, as the per capita steel consumption in the country is still one of the lowest in the world, presently around 52 kg. versus, 427 kg. for China and a global average of about 203 kg. WSA has projected a growth of more than 13% in apparent steel consumption in India in 2011 with overall consumption reaching 69 million tonnes. In fact, it is expected that India will emerge as one of the highest steel consuming countries in the world during the next decade.

- 4.3 Speaking on Performance of the company during 2010-11, the Chairman mentioned that fiscal 2010-11 represented a year of relentless improvement in production, product-mix and efficiency parameters. The production of saleable steel at 12.9 million tonne in 2010-11 was up by 2% over corresponding period last year (CPLY), with capacity utilization of 116%. The company continued its endeavour to become energy & cost efficient in the year 2010-11 by achieving highest ever crude steel production through continuous casting route at 9.32 million tonne with a growth of 3% over CPLY. The company achieved a sales turnover of Rs.47,041 crore in 2010-11, the second highest in the history of the company and higher by 7% over the previous year, and made a profit before tax of Rs.7,194 crore. Profit for the year was, however, impacted mainly due to escalations in input prices, particularly imported coking coal. The average FOB price of imported hard prime coking coal during 2010-11 was US \$ 213 per tonne as against the US \$ 128 per tonne in 2009-10. Further, as against the annual price settlement under the long term agreement for import of coal till 2009-10, the price settlements have moved to quarterly basis in 2010-11. The price of imported hard coking coal, which went up to the unprecedented high level of US \$ 330 per tonne in the first quarter of 2011-12, is slowly coming down during the current year.
- 4.4 The Chairman mentioned that the as per 2010 World Steel Dynamics Report, India will become the epicenter of sizeable capacity additions. In order to maintain the market leadership position in the country and also to enhance competitiveness, it is important that capabilities of the company are continuously enhanced. Keeping this in view, the company is currently implementing modernization & expansion of all of its plants which would enhance the hot metal capacity from the current level of 13.8 million tonne per annum to 23.5 million tonne by 2012-13. The modernisation & expansion plans aim at inducting new technologies, enriching the product-mix by raising the share of value added products and making operations more energy efficient and environment friendly. Cumulative orders worth about Rs.54,000 crore have been placed under the modernisation & expansion plan of SAIL. During the year 2010-11, capital expenditure of Rs.11,280 crore was incurred.
- 4.5 The Chairman mentioned that the total requirement of iron ore of the steel plants is being met from the captive mines of SAIL. Post-modernization & expansion, the iron ore requirement is estimated to go upto about 43 million tonnes. The company is determined to meet this enhanced requirement of iron ore by augmenting the production from the existing mines and also by developing new mines at Rowghat and Chiria. The company is also making efforts for development of existing coal blocks as well as for fresh allocation of coking coal and thermal coal blocks for captive mining to enhance indigenous coal availability. With respect to acquisition of coal assets in overseas territories, all out efforts are being made under the aegis of International Coal Ventures Pvt. Ltd. (ICVL). It gives me great pleasure to inform you that ICVL has signed an MOU with the Government of Central Kalimantan, Indonesia which envisages direct allocation of coking coal for ICVL.

- 4.6 Speaking on attaining technology leadership, the Chairman mentioned that the company has prepared a R&D master plan in order to facilitate acquisition and development of appropriate technologies for sustainable growth. As per the master plan, SAIL will undertake at the corporate level, Technology Missions and High Impact Projects targeted at reducing raw material and energy consumption, reducing carbon-dioxide emissions and improved waste utilization. Besides, at the individual steel plant level, Centres of Excellence (COEs) would be created which would primarily focus on various product development and improvements in collaboration with key customers and technology suppliers.
- 4.7 The Chairman mentioned that as a responsible corporate citizen, the company re-affirms its commitment to contributing towards a clean and sustainable environment as an integral part of its business philosophy. SAIL plants have attained improvement in major environmental parameters by continuous efforts which have resulted in further reduction in Particulate Matter emission load, specific effluent discharge and specific water consumption in 2010-11. During 2010-11, 1.74 lakh saplings were planted in SAIL steel plants and mines with cumulative saplings going up to 177 lakh. The company is fully aware of its obligations towards the Society and is fully committed to sustainable development. The company's role as a responsible corporate citizen in nation building has been appreciated at various fora in the form of prestigious awards, honours and accolades. The company was conferred with 'India Shining Star CSR Award' by Wockhard Foundation, 'SCOPE Meritorious Award for Corporate Social Responsibility & Responsiveness', Annual FICCI Awards in the category of 'The Vision Corporate Triple Impact', CSR Award of the Ministry of Rural Development, Govt. of India and the Golden Peacock Award.
- 4.8 The Chairman mentioned that excellent performance of the company as well as its employees witnessed several laurels and appreciation being bestowed during the year 2010-11. The employees of the company continued to win maximum number of Prime Minister's Shram Awards and Vishwakarma Rashtriya Award declared by Govt. of India which recognizes the creativity and innovative abilities of employees. Organisation excellence of the company garnered recognition and accolades at various prestigious forums. Some of the notable ones are - 'SCOPE Meritorious Awards' for Environment Excellence and Sustainable Development, "Asia Best Employer Award" for 'Continuous Innovation in HR Strategies at Work', "PSU Excellence Awards" for "Best Human Resource Management" and "Research & Development, Technology Development & Innovation" by Indian Chamber of Commerce and "India Pride Award" under Metals and Minerals & Trade Award Category.
- 4.9 The Chairman added that in his last address to the esteemed shareholders, he had mentioned about the 10% FPO of shares by SAIL and offer for sale of 10% of the Government's holding in the company, in two equal discrete tranches of 5% each of FPO and 5% offer for sale by the Government. The first tranche was to hit the market during 2010-11. He informed that due to

continued volatile stock market conditions, the first tranche of FPO could not take place in 2010-11. The issue would be taken up based on the advice of Book Running Lead Managers (BRLMs) in consultation with Ministry of Steel and Department of Disinvestment when the market conditions are conducive. While concluding his address to the shareholders, the Chairman acknowledged the support extended by all the stakeholders, Government of India and State Governments.

- 4.10 A copy of the address of Chairman was circulated to the members at the meeting.
5. The Chairman announced that the Register of Proxies, Original Proxies and Register of Directors' Shareholding under Section 307 of the Companies Act, 1956 and the copies of Balance Sheet as at 31st March, 2011, Profit & Loss Account for the year ended 31st March, 2011 and Auditors' Report thereon are placed on the table for inspection of the Members.
6. The Chairman, thereafter, invited Secretary to read the Auditors' Report on the Accounts of the company for the financial year ended 31st March 2011. When Secretary started reading the Auditors' Report, all the members present said that they have already read it. Subsequently, Chairman, on unanimous confirmation from all the members present, declared that the Auditors' Report already circulated to the shareholders along with Directors' Report and Accounts of the company for the year ended 31st March, 2011 be taken as read.
7. The Chairman moved the following resolution:

Resolution No.1:

“Resolved that the proposal to receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2011, the Balance Sheet as at that date and Directors' and Auditors' Reports thereon, be and are hereby approved and adopted.”

Mr. Subrata K. Basu, Under Secretary, Ministry of Steel, being President's representative, seconded the resolution. The Chairman put the resolution to vote and declared it as “carried unanimously”.

8. **Resolution No.2:**

Shri M.C. Jain proposed the following resolution:

“RESOLVED THAT Prof. Deepak Nayyar, who retires as a rotational Director and is eligible for re-appointment, be and is hereby reappointed as a Director of the company.”

Shri Rajeev Nagpal seconded the resolution. The Chairman put the resolution to vote and declared it as “carried unanimously”.

9. **Resolution No.3:**

Shri M.C. Jain proposed the following resolution:

“RESOLVED THAT Shri A.K. Goswami, who retires as a rotational Director and is eligible for re-appointment, be and is hereby reappointed as a Director of the company.”

Shri Rajeev Nagpal seconded the resolution. The Chairman put the resolution to vote and declared it as “carried unanimously”.

10. **Resolution No.4:**

Shri R. Bhasin proposed the following resolution:

“RESOLVED THAT Board of Directors be and is hereby authorised to decide and fix remuneration payable to Statutory Auditors for the financial year 2011-2012.

FURTHER RESOLVED THAT in addition to audit fee, statutory auditors be reimbursed reasonable out of pocket expenses including service tax and other statutory levies.”

Shri M.C. Jain seconded the resolution. The Chairman put the resolution to vote and declared it as “carried unanimously”.

11. **Resolution No.5:**

Shri R. Bhasin proposed the following resolution:

“RESOLVED THAT a final dividend of 12% on the paid up equity share capital of the company as recommended by the Board be and is hereby declared and approved.

FURTHER RESOLVED THAT the interim dividend of 12% on the paid up equity share capital of the company as declared by the Board at its meeting held on 13th January, 2011, be and is hereby approved.”

Shri M.C. Jain seconded the resolution. The Chairman put the resolution to vote and declared it as “carried unanimously”.

SPECIAL BUSINESS

12. **Resolution No.6:**

Shri Rajeev Nagpal proposed the following resolution:

“RESOLVED THAT Shri Shuman Mukherjee, who was appointed as an Additional Director of the company by the Board of Directors 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 proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the company, liable to retire by rotation.”

Shri M.C. Jain seconded the resolution. The Chairman put the resolution to vote and declared it as “carried unanimously”.

13. **Resolution No.7:**

Shri Rajeev Nagpal proposed the following resolution:

“RESOLVED THAT Shri P.K. Sengupta, who was appointed as an Additional Director of the company by the Board of Directors 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 proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the company, liable to retire by rotation, for a period of three years from the date of his initial appointment i.e. with effect from 13th January, 2011.”

Shri M.C. Jain seconded the resolution. The Chairman put the resolution to vote and declared it as “carried unanimously”.

14. **Resolution No.8:**

Shri Rajeev Nagpal proposed the following resolution:

“RESOLVED THAT Shri P.C. Jha, who was appointed as an Additional Director of the company by the Board of Directors 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 proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the company, liable to retire by rotation, for a period of three years from the date of his initial appointment i.e. with effect from 13th January, 2011.”

Shri M.C. Jain seconded the resolution. The Chairman put the resolution to vote and declared it as “carried unanimously”.

15 **Resolution No.9:**

Shri M.C. Jain proposed the following Special resolution:

"RESOLVED THAT Amendment of Articles of Association of the company amending definition clause for including the position of Chairman and Managing Director in the definition of Chairman and also those clauses containing provision of Managing Directors in the Articles of Association of the company by removing the words Managing Directors, be and is hereby approved.

Shri R. Bhasin seconded the resolution. The Chairman put the resolution to vote and declared it as "carried unanimously".

16 **Resolution No.10:**

Shri M.C. Jain proposed the following resolution:

"RESOLVED THAT Shri Anil Kumar Chaudhary, who was appointed as an Additional Director of the company by the Board of Directors 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 proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the company, liable to retire by rotation".

Shri R. Bhasin seconded the resolution. The Chairman put the resolution to vote and declared it as "carried unanimously".

17 Immediately upon inviting comments and queries from the shareholders by the Chairman, some of the shareholders commending the continued good performance of the company congratulated the Chairman and SAIL collective for good financial performance during 2010-11. They also praised overwhelmingly for the excellent leadership provided by the Chairman to the company.

18. Replying to a query of a member, the Chairman mentioned that the profitability for the financial year 2010-11 was impacted primarily due to higher input prices, particularly of imported coking coal. He mentioned that the FOB price of imported hard coking coal, which was US \$ 128 per tonne in financial year 2009-10, had gone up to about US \$ 213 per tonne in 2010-11. This price for the first quarter of the current financial year has gone up further to unprecedented level of US \$ 330 per tonne. Replying to another query, the Chairman mentioned that due to volatile stock market condition the share prices of all companies in the steel sector have been adversely impacted. He mentioned that keeping in view volatile market condition, it was decided to defer the FPO and to take up the same when the market conditions improve in consultation with Ministry of Steel/Department of Disinvestment.

19. Shri Anil Kumar Chaudhary, Director (Finance); while giving vote of thanks to the members of the company, the Chairman of the meeting and Independent Directors; mentioned that with their constant support the company has been performing well and it has been possible to conduct the 39th Annual General Meeting of the company smoothly. He also thanked the management of NDMC Indoor Stadium for providing the venue for AGM and also other supporting personnel for extending their help to make the AGM a success.
20. The Chairman, thereafter, declared the proceedings of the meeting as over and closed.

Sd/-
(C.S.Verma)
Chairman

Place: New Delhi

Date: 4th October, 2011