

Minute Book

MINUTES OF THE FORTY SEVENTH ANNUAL GENERAL MEETING OF MEMBERS OF MAHINDRA UGINE STEEL COMPANY LIMITED HELD ON TUESDAY, 27TH JULY, 2010 AT 3.00 P.M. AT AMAR GIAN GROVER AUDITORIUM, LALA LAJPAT RAI MARG, MAHALAXMI, HAJI ALI, MUMBAI-400 034.

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Present:

Directors - Mr. Anand G. Mahindra - (In the Chair)
 Mr. K.V. Ramarathnam
 Mr. Hemant Luthra
 Mr. R.R. Krishnan
 Mr. Harsh Kumar
 Mr. Manojkumar Maheshwari
 Mr. Sanjiv Kapoor
 Ms. Sarojini S. Dikhale

CERTIFIED TRUE COPY

For Mahindra Ugine Steel Co.

[Signature]
 P. S. Saliari

Deputy Company Secretary

In Attendance: Mr. Ajay Kadhao - (Company Secretary)

Mr. Hemant Luthra, Director, informed the members present at Meeting that in view of absence of Mr. Keshub Mahindra, the Chairman of the Board, the Directors of the Company have, in accordance with the provisions of Articles of Association of the Company, unanimously elected Mr. Anand Mahindra to Chair this Meeting. Thereafter Mr. Anand Mahindra, with an unanimous support of shareholders present at the meeting, presided over the meeting.

Number of Shareholders, including proxies and representatives, present at the meeting: 55 (fifty five).

- 1.1 The Chairman, having ascertained that the requisite quorum fixed for the Meeting was present and the Notice of the 47th Annual General Meeting along with the copies of the Audited Accounts for the year ended 31st March, 2010 together with the Directors' and Auditors' Reports having been despatched to all the Shareholders within the statutory period, declared the Meeting in order and open. He confirmed that the Register of Directors' Shareholdings and the Register of Proxies were placed on the table. He then welcomed the Shareholders and with the consent of the Shareholders, the Notice of the 47th Annual General Meeting was taken as read.

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- 1.2 After the Report of the Auditors to the Shareholders was read by the Company Secretary, the Chairman proposed that the Balance Sheet, Profit & Loss Account and Directors' and Auditors' Reports thereon be adopted by the Shareholders.
- 1.3 The Chairman informed that Mr. M.R. Ramachandran, Chairman of the Audit Committee, was unable to attend the meeting. However, other Independent Directors & Members of Audit Committee were present to answer queries of shareholders.
- 1.4 The Chairman then addressed the Members. In his address, he mentioned about the overall performance of the Company for the financial year ended 31st March, 2010.

The Chairman stated that the Company has posted improved performance in the financial year ended 31st March 2010 as compared to the previous financial year. He informed the meeting that improvement in the performance was on account of various initiatives taken by the management to control cost, improve volume, manage foreign exchange volatility etc., coupled with recovery of economy of the country. He also mentioned that the overall performance of the Company was affected due to high input cost of metallic, power and increase in debt. He stated that in view of improved performance the Board of Directors has recommended a dividend Re. 1/- per equity share for the financial year ended 31st March 2010.

The Chairman further stated that the Stamping business has post a healthy growth and to meet growing demand of Automotive sector, the Company is in process of setting a new Stampings plant at Pantnagar in the State of Uttarakhand. He further stated that the Company, in order to augment its growth, continues to pursue stringent cost control measures, emphasizing on improving operational efficiencies as well as development of new products and exploring new business opportunities in non-auto sectors.

The Chairman appreciated shareholders for the support extended and confidence shown by them in the Company. He thereafter presented to the shareholders the Unaudited financial performance of the Company for the quarter ended 30th June, 2010, as approved by the Board of Directors earlier during the day. Elaborating on the salient features of the quarterly results, he informed the members that during the quarter ended 30th June 2010, the

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Sales and Income from operations increased to Rs. 303.76 crores from Rs. 224.97 crores registered in the corresponding quarter of the previous year. Similarly, the Company has earned a Net Profit of Rs. 2.84 crores as against a Net Loss of Rs. 4.56 crores incurred in the corresponding quarter of the previous year.

- 1.5 The Chairman then proposed and Ms. C. E. Mascarenhas seconded the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended 31st March, 2010, together with the Reports of the Auditors' and Directors' as laid before the Meeting be received and adopted."

Before putting the above Resolution to vote, the Chairman invited the Shareholders to ask questions, if any, on the accounts and the working of the Company. The following Shareholders participated in the discussions:

Mr. J. P. Maheshwari
Ms. C. E. Mascarenhas
Mr. K. R. Choksey
Mr. P. J. Paymaster
Ms. Gulshan Chinwala
Mr. Vasant Nagvekar
Mr. Sudhir Mehta

The above Shareholders made comments and observations on the Annual Report and Accounts, namely on;

- Overall operations of the Company and appreciated for dividend recommendation,
- Performance of Steel, Ring and Stampings Divisions and growth prospects of each division,
- Description of Steel products of the Company and how products of the Company are different from others steel manufacturers,
- Capital Expenditure (Capex) plans and capacity utilization including that of new Stamping plant at Pantnagar,
- Impact of fluctuating foreign currency on the performance of the Company, Export initiatives taken or to be taken, cost reduction measures of the Company, management of cost of borrowing and employee/labour.
- Current status of Wardha Power Co. Ltd (WPCL), and when and how the power is expected to be supplied to the Company by WPCL, etc.

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The Chairman replied to all observations and queries of the Shareholders to their satisfaction. He then put the above motion to vote and on a show of hands declared the Resolution carried unanimously.

2. The Chairman announced that the Board of Directors have recommended for declaration of dividend of Re.1/- per share on Equity Shares.

Mr. J. P. Maheshwari proposed and Mr. P.J. Paymaster seconded the following Resolution as an Ordinary Resolution :

"RESOLVED THAT a dividend Re.1/- per share on 3,24,82,529 equity shares of Rs.10/- each aggregating to Rs. 3,24,82,529/- be declared for the year ended 31st March, 2010 and the said dividend be distributed out of the profits of the Company for the aforesaid year to those shareholders whose name appear as members in the register of members of the Company after giving effect to valid transfers in physical form lodged with the company /its registrar and transfer agents on or before 13th July, 2010 and in respect of shares held in electronic form, the dividend be paid to those shareholders whose names appears in the beneficial ownership as furnished by National Securities Depositories Limited and Central Depositories Services (India) Limited for the purpose as at the end of the business hours on 13th July 2010."

The Chairman put the above motion to vote and on a show of hands declared the Resolution carried unanimously.

3. The Chairman announced that Mr. Keshub Mahindra retires by rotation from the Board and, being eligible, offered himself for re-election.

Mr. Sudhir Mehta proposed and Mr. Bimal Agarwal seconded the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Keshub Mahindra, who retires by rotation and being eligible for re-appointment be re-appointed as a Director of the Company."

The Chairman put the above motion to vote and on a show of hands declared the Resolution carried unanimously.

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4. The Chairman announced that Mr. Hemant Luthra retires by rotation from the Board and, being eligible, offered himself for re-election.

Mr. P. J. Paymaster proposed and Mr. Sudhir Mehta seconded the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Hemant Luthra, who retires by rotation and being eligible for re-appointment be re-appointed as a Director of the Company."

The Chairman put the above motion to vote and on a show of hands declared the Resolution carried unanimously.

5. The Chairman announced that Mr. M.R. Ramachandran, who retires by rotation from the Board and has expressed his desire not to seek re-appointment and not offered himself for re-election.

Mr. Bimal Agarwal proposed and Mr. P. J. Paymaster seconded the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. M. R. Ramachandran, who retires by rotation and has expressed his desire not to seek re-appointment, be not re-appointed and that the vacancy thereby caused be not filled up."

The Chairman put the above motion to vote and on a show of hands declared the Resolution carried unanimously.

6. Mr. Sudhir Mehta proposed and Mr. J. P. Maheshwari seconded the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to section 224 of the Companies Act, 1956, Messrs. Deloitte Haskins & Sells, Chartered Accountants (Registration Number 117366W), the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Board in addition to out of pocket expenses as may be incurred by them during the course of the Audit."

The Chairman put the above motion to vote and on a show of hands declared the Resolution carried unanimously.

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7. Mr. P. J. Paymaster proposed and Ms. C. E. Mascarenhas seconded the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Sanjiv Kapoor, who was appointed as an Additional Director by the Board of Directors of the Company and who holds office upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director as per the provisions of section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."

The Chairman put the above motion to vote and on a show of hands declared the Resolution carried unanimously.

8. Mr. J. P. Maheshwari proposed and Mr. Bimal Agarwal seconded the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Ms. Sarojini S. Dikhale, who was appointed as an Additional Director by the Board of Directors of the Company and who holds office upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director as per the provisions of section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."

The Chairman put the above motion to vote and on a show of hands declared the Resolution carried unanimously.

The meeting concluded with a vote of thanks proposed by Mr. J. P. Maheshwari. The Chairman then declared the proceedings of the Annual General Meeting closed.

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CHAIRMAN

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