



CERTIFIED COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS IN THEIR MEETING HELD ON 03.10.2002

For availing of a Rupee Term Loan of Rs. 10 Crore from State Bank of India and for execution of documents

Chairman proposed to enhance existing facility of one rotary kilns of capacity 33,000 mtpa which commenced its commercial production in January 2002 at Taraimal, Raigarh, Chhattisgarh.

It was proposed and decided that in order to cater to the increased demand for sponge iron and mild steel ingots, the Company undertake expansion of the existing plant along with other facilities by way of installing

- (i) Five rotary kilns, each with a capacity of 33000 mtpa aggregating to an installed capacity of 165,000 tpa of hot metal
- (ii) 4 induction furnaces of 6 tonnes each
- (iii) 6 Waste Heat Recovery Boilers of 12 tonnes each; and
- (iv) 2 Transformer Generator of 8 MW each aggregating to an installed capacity of 16 MW.

The expansion projects are expected to be completed in phases by September 30, 2003. The cost of the expansion estimated at Rs 4500 lacs is proposed to be financed by way of rupee loans of Rs 3000 lacs and equity contribution of Rs 1500 lacs by Jindal Steel & Power Ltd., its associates and strategic investors and through internal accruals of the Company. The Company proposes to approach commercial banks/ financial institutions for rupee term lending for the project.

Following from the above, the Company had approached SBI Capital Markets Limited (SBICAP) who have prepared a detailed report on the viability of the above proposed project. The said report was submitted to the various banks for financing the said project. State Bank of India, Commercial Branch, Bhilai, has sanctioned a term loan of Rs 10 crores towards part financing the expansion project of the company, the copy of the sanction was placed at the meeting


All the details of estimated cost of the project, the means of financing them, the consumption pattern of Sponge Iron and steel products in the country and time schedule for the implementation of the proposed projects were also placed on the table of the meeting. Further, the board was also informed that the aforesaid project may provide a source of additional non operational revenue from possible sale of carbon credits which may possibly be generated from the project.

Board considered and approved the above proposal.

After some discussion the following resolution was passed.

"RESOLVED"

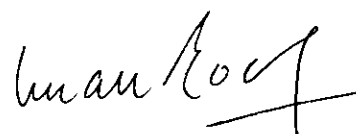
1. **THAT** the company accept the offer of State Bank of India, Commercial Branch, Bhilai to provide to the Company a Rupee Term Loan of Rs.10 Crore to part finance the expansion project in the manner, to the extent and on the terms and conditions as contained in the Letter of Sanction no. COMM/BHI/PRA/02-03/12 dated 18th September, 2002 received from State Bank of India, Commercial Branch , Bhilai (a copy whereof was placed on the table at the meeting).
2. **THAT** Shri Om Prakash Jindal, Director, Shri R.D. Gupta, Wholetime Director, Shri Anand Goel, Director, Shri M.L. Aggarwal, Director , Shri Rakesh Jindal, Director and Shri Damodar Mittal , Director, respectively of the company, be and are hereby severally authorized to convey to State Bank of India acceptance on behalf of the Company of the said offer as contained in the aforesaid letter and to accept such modifications therein as may be suggested by the Bank.
3. **THAT** the standard formats of the Rupee Loan Agreement, the Deed of Hypothecation, undertaking(s) and Power of Attorney etc. received from State Bank of India (a copy each whereof duly initialed for the purpose of identification and placed before the meeting) be and hereby approved and the following namely, Shri Om Prakash Jindal, Director, Shri R.D. Gupta, Wholetime Director, Shri Anand Goel, Director, Shri M.L. Aggarwal, Director, Shri Rakesh Jindal, Director and Shri Damodar Mittal, Director respectively of the company be and are hereby severally authorized to accept on behalf of the Company such modifications therein as may be required by State Bank of India.
4. **THAT** Common Seal of the company be affixed to the fair stamped engrossments of the Rupee Loan Agreement, Deed of Hypothecation, modifications as may be agreed between State Bank of India and the Company, in the presence of any one of the following namely, Shri Om Prakash Jindal, Director, Shri R.D. Gupta, Wholetime Director, Shri Anand Goel, Director, Shri M.L. Aggarwal, Director , Shri Rakesh Jindal, Director and Shri Damodar Mittal , Director, respectively of the company who do sign the same in token thereof as required by the Articles of Association of the Company.
5. **THAT** the aforesaid Authorized Representatives of the Company, viz. Shri Om Prakash Jindal, Director, Shri R.D. Gupta, Wholetime Director, Shri Anand Goel, Director, Shri M.L. Aggarwal, Director , Shri Rakesh Jindal, Director and Shri Damodar Mittal , Director respectively of the company be and are hereby authorized severally to create or procure or cause to be created or procured on behalf of the company necessary securities in favour of State Bank of India in terms



of its sanction letter and as may be amended from time to time, and also to approve, finalize, execute and delivery or cause to be executed and delivered on behalf of the company, disbursement requests, receipts, notices, undertakings, mandates, agreements, assignments, power of attorney, promissory notes and all other deeds, instruments and writings in favour of State Bank of India in connection with the said loan, and if so required by State Bank of India, the Common Seal of the Company be affixed thereto in the presence of any one of the following Authorized Representatives of the Company, viz Shri Shri Om Prakash Jindal, Director, Shri R.D. Gupta, Wholetime Director, Shri Anand Goel, Director, Shri M.L. Aggarwal, Director , Shri Rakesh Jindal, Director and Shri Damodar Mittal , Director respectively of the company who do sign the same in token thereof.

6. **THAT** the Company do file requisite particulars of Charge with the Registrar of Companies in respect of the above financial assistance in favour of the Bank within the time prescribed by law.
7. **THAT** the board may request Shri O.P. Jindal, Shri R.D. Gupta and Shri M.L. Aggarwal to furnish the guarantees to the State Bank of India for the Rupee Term Loan of Rs.10 crore to part finance of expansion Project of the company.
8. **THAT** certified copy of the resolution be given to State Bank of India.

For NALWA SPONGE IRON LIMITED



(Director)