

# Report on Corporate Governance for the year 2010-11

(Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

## 1. COMPANY'S GOVERNANCE PHILOSOPHY:

Corporate Governance at JSW Steel Limited has been a continuous journey and the business goals of the Company are aimed at the overall wellbeing and welfare of all the constituents of the system. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organization and putting in place best systems, process and technology. The Company combines leading edge technology and innovation with superior application and customer service skills.

At the heart of Company's Corporate Governance policy is the ideology of transparency and openness in the effective working of the management and Board. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it.

Your Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement, the details of which are given below:

## 2. BOARD OF DIRECTORS:

### 2.1 Appointment and Tenure

The Directors of the Company (except Nominee Directors) are appointed by the shareholders at General Meetings. All Directors except Nominee Directors are subject to retirement by rotation and at every Annual General Meeting 1/3rd of such Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Section 256 and 257 of the Companies Act, 1956 and that of the Articles of Association of the Company.

The Executive Directors on the Board serve in accordance with the terms of their contracts of service with the Company.

### 2.2 Composition, Meetings and attendance record of each Director:

The Company has a balanced mix of Executive and Non-Executive Independent Directors. As at 31.03.2011, the Board of Directors comprises of 14 Directors, of which 10 are Non-Executive. The Chairperson is Non-Executive and a Promoter of the Company. The number of Independent Directors is 7 which is in compliance with the stipulated one half of the total number of Directors. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company.

No Director is related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 1956, except Mrs. Savitri Devi Jindal & Mr. Sajjan Jindal.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees (as specified in Clause 49 of the Listing Agreement) across all the Companies in which he /she is a Director. The necessary disclosures regarding committee positions have been made by the Directors.

The information as required under Annexure 1A to Clause 49 of the Listing Agreement is being made available to the Board.

The details of composition of the Board as at 31.03.2011, the attendance record of the Directors at the Board Meetings held during the financial year ended on 31.03.2011 and at the last Annual General Meeting (AGM), as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are given here below:

Category	Name of Director	Position	Date of Joining the Board	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships in other Indian Public Limited Cos.	No. of Chairmanship(s)/ Membership(s) of Committees in other Indian Public Ltd. Cos.**	
								Chairmanship (s)	Membership(s)
Executive Directors	Mr. Sajjan Jindal	Vice Chairman & Managing Director	15.03.1994	6	6	Yes	7	Nil	Nil
	Mr. Seshagiri Rao M.V.S.	Jt. Managing Director & Group CFO	06.04.1999	6	6	Yes	1	Nil	Nil
	Dr. Vinod Nowal	Director & CEO	30.04.2007	6	6	Yes	2	Nil	Nil
	Mr. Jayant Acharya	Director (Commercial & Marketing)	07.05.2009	6	6	Yes	4	Nil	2
Non-Executive Non-Independent Directors	Mrs. Savitri Devi Jindal	Chairperson	18.04.2005	6	None	No	8	Nil	Nil
Non-Executive Independent Directors	Mr. Uday M. Chitale	Director	20.10.2005	6	5	Yes	5	2	1
	Mr. Anthony Paul Pedder	Director	18.04.2005	6	5	Yes	Nil	Nil	Nil
	Mr. Sudipto Sarkar	Director	09.05.2005	6	4	Yes	8	Nil	5
	Dr. S. K. Gupta	Director	25.04.1994	6	6	Yes	6	2	5
	Mr. K. Vijayaraghavan	Director	16.06.2008	6	5	Yes	Nil	Nil	Nil
	Dr. Vijay Kelkar	Director	20.01.2010	6	5	Yes	7	Nil	2
Nominee Director	Mrs. Zarin Daruwala	Nominee of ICICI Bank Limited (Lender)	13.12.2005	6	4	No	1	Nil	Nil

Category	Name of Director	Position	Date of Joining the Board	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships in other Indian Public Limited Cos.	No. of Chairmanship(s)/ Membership(s) of Committees in other Indian Public Ltd. Cos.**	
								Chairmanship (s)	Membership(s)
	<b>Part of the Year</b>								
Non-Executive Non-Independent Director	Mrs. Vandita Sharma, I.A.S (Ceased to be a Director w.e.f 03.02.2011)	Nominee of KSIIDC (Equity Investor)	19.11.2009	6	1	Yes	-	-	-
	Mr. M. Maheshwar Rao, I.A.S	-do-	04.02.2011	0*	None	NA #	7	Nil	Nil
	Mr. Shigeru Ogura	Nominee of JFE Steel Corporation, Japan (Equity Investor & Foreign Collaborator)	08.09.2010	3 *	2	NA #	Nil	Nil	Nil

## Notes:

- During the Financial Year 2010-11, six Board Meetings were held and the gap between two meetings did not exceed four months. Board Meetings were held on 03.05.2010, 29.06.2010, 27.07.2010, 26.10.2010, 20.12.2010 and 27.01.2011.
- \* No. of Board Meetings indicated is with reference to date of appointment of the Director.
- \*\* Only two Committees, namely, Audit Committee and Shareholders'/Investors' Grievance Committee have been considered.
- # Not a Director at the time of last AGM.

**2.3 Board Meetings, Board Committee Meetings and Procedures:****A. Institutionalised decision making process**

The Board of Directors oversee the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served. The Vice Chairman and Managing Director is assisted by the Executive Directors/ Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board has constituted ten Standing Committees, namely Audit Committee, Project Review Committee, Shareholders/ Investors Grievance Committee, Remuneration Committee, Finance Committee, Nomination Committee, Risk Management Committee, Share Allotment Committee, Share/Debt Transfer Committee and JSWSL Code of Conduct Implementation Committee. The Board constitutes additional functional committees, from time to time, depending on the business needs.

**B. Scheduling and selection of Agenda Items for Board meetings**

- A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- The meetings are usually held at the Company's Registered Office at Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai – 400 026.
- All divisions/departments of the Company are advised to schedule their work plans well in advance, with regard to matters requiring discussion/ approval/ decision at the Board/ Committee meetings. All such matters are communicated to the Company

Secretary in advance so that the same could be included in the Agenda for the Board/Committee Meetings.

- In addition to items which are mandated to be placed before the Board for its noting and/or approval, information is provided on various significant items.
- The Board is given presentations covering Global Steel Scenario, Economy, Company's Financials, Sales, Production, Business Strategy, Subsidiary performance and Risk Management practices before taking on record the Quarterly/Half yearly/ Annual financial results of the Company.

**C. Distribution of Board Agenda Material**

Agenda and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are considered.

**D. Recording Minutes of proceedings at Board and Committee Meetings**

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/Committee for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting and are signed by the Chairman of the meeting/Chairman of the next meeting.

**E. Post Meeting Follow-up Mechanism**

The Company has an effective post meeting follow-up, review and reporting process mechanism for the decisions taken by the Board/ Committees. The important decisions taken at the Board/ Committee meetings are communicated to the concerned Functional Heads promptly. Action Taken Report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee members.

**F. Compliance**

While preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 1956 read with the Rules made thereunder.

**2.4 Meetings of Independent Directors:**

The Independent Directors of the Company meet at such intervals as they deem appropriate without the presence of Executive Directors or management personnel. These meetings are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to the affairs of the Company and put forth their views to the Vice Chairman and Managing Director.

**2.5 Training of Board Members:**

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's business and the external environment affecting the industry as a whole. To this end, the Directors were given presentations on the global business environment, as well as all business areas of the Company including business strategy, risks opportunities. Monthly updates on performance/developments giving highlights of performance of the Company during each month including the developments/events having impact on the business of the Company are also sent to all the Directors.

**3. AUDIT COMMITTEE:**

The Audit Committee comprises of four Non-Executive Directors, all of whom are Independent Directors. Mr. Uday M. Chitale is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and of Clause 49 of the Listing Agreement.

The broad terms and reference of Audit Committee are:

- To review the financial statements before submission to the Board;
- To review reports of the Management Auditors and Internal Auditors;
- To review the weaknesses in internal controls reported by Internal and Statutory Auditors;
- To review the remuneration of Chief Internal Auditor;
- To approve the appointment of the Chief Financial Officer (CFO);
- In addition, the powers and role of the Audit Committee are as laid down under clause 49 II C and D of the Listing Agreement and Section 292A of the Companies Act, 1956.

Seven meetings of the Audit Committee were held during the financial year 2010-11, as against the minimum requirement of four meetings. The details are as follows:

Sl. No.	Date	Committee Strength	No. of Members Present
1	03rd May, 2010	4	4
2	21st July, 2010	4	3
3	26th July, 2010	4	3
4	24th September, 2010	4	3
5	25th October, 2010	4	4
6	10th December, 2010	4	3
7	27th January, 2011	4	4

The Constitution of the Committee as at 31.03.2011 and the attendance of each Member are as given below:

Sl. No.	Name of the Members	Category	No. of Meetings Attended
1	Mr. Uday M. Chitale Chairman	Non-Executive Independent Director	7
2	Dr. S. K. Gupta Member	Non-Executive Independent Director	7

Sl. No.	Name of the Members	Category	No. of Meetings Attended
3	Mr. Sudipto Sarkar Member	Non-Executive Independent Director	3
4.	Mr. K. Vijayaraghavan Member	Non-Executive Independent Director	7

The Jt. Managing Director & Group CFO, Director & CEO, Director (Commercial & Marketing), Chief Financial Officer, Accounts Heads of each Unit, Vice President (Internal Audit), the Company Secretary and the representatives of the Statutory Auditors attend the Audit Committee Meetings. The representatives of Management Auditors attend the Audit Committee Meeting whenever matters relating to management audit are considered. The Company Secretary is the Secretary of the Audit Committee.

Mr. Uday M. Chitale, Chairman of the Audit Committee was present at the last Annual General Meeting held on 29.06.2010.

**4. REMUNERATION COMMITTEE:**

The Remuneration Committee, which is a non-mandatory requirement of Clause 49, was constituted on 27.03.2002.

The terms of reference of the committee are as follows:

- To determine on behalf of the Board and on behalf of the Shareholders, the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.
- To approve the payment of remuneration to Managerial Personnel as per the Policy laid down by the Committee.

One meeting of the Remuneration Committee was held during the financial year 2010-11 on 26th July, 2010.

The composition of the Remuneration Committee as at 31.03.2011 and attendance of each member at the committee meetings are as given below:

Sl. No.	Name of the Members	Category	No. of Meetings held	No. of Meetings Attended
1	Dr. S. K. Gupta Chairman	Non-Executive Independent Director	1	1
2	Mr. Uday M Chitale Member	Non-Executive Independent Director	1	1
3	Mr. Anthony Paul Pedder Member	Non-Executive Independent Director	1	1
4	Mr. K. Vijayaraghavan Member	Non-Executive Independent Director	1	1

The Company has complied with the non-mandatory requirement of Clause 49 regarding the Remuneration Committee.

**4.1 Remuneration Policy and Details of Remuneration paid to Directors:**

The Remuneration Committee recommends the remuneration package for the Executive Directors of the Board. In framing the remuneration policy, the Committee takes into consideration the remuneration practices of Companies of similar size and stature, the Industry Standards and competitive circumstances of each business so as to attract and retain quality talent and leverage performance significantly.

The Directors' compensation is based on the appraisal system wherein their individual goals are linked to the organizational goals. Executive Directors (ED) are paid compensation as per the agreements entered into between them and the Company, subject to the approval of the Board and of the members in General Meeting and such other approvals, as may be necessary.

The present remuneration structure of ED comprises of salary, perquisites, allowances, performance linked incentive, ESOPs and contributions to PF and Gratuity.

The Non-Executive Directors are paid remuneration by way of Commission and Sitting fees. The commission payable to the Non-Executive Directors is based on the number of meetings of the Board attended by them and their Chairmanship/Membership of Audit Committee during the year subject to an overall ceiling of 1% of the net profits approved by the Members. The Company pays sitting fees at the rate of ₹ 20,000/- for each meeting of the Board and sub-committees attended by them.

The details of commission paid/payable to the Non-Executive Directors for the financial year 2010-11, is as follows:

Sr. No	Name	From	To	Commission Payable (₹ in crores)
1	Mrs. Savitri Devi Jindal	1-Apr-10	31-Mar-11	0.08
2	Dr. S. K. Gupta	1-Apr-10	31-Mar-11	0.13
3	Mr. Uday M. Chitale	1-Apr-10	31-Mar-11	0.14
4	Dr. Vijay Kelkar	1-Apr-10	31-Mar-11	0.12
5	Mr. Anthony Paul Pedder	1-Apr-10	31-Mar-11	0.13
6	Mr. Sudipto Sarkar	1-Apr-10	31-Mar-11	0.11
7	Mr. K. Vijayaraghavan	1-Apr-10	31-Mar-11	0.13
8	Mrs. Zarin Daruwala (Nominee ICICI Bank Limited)*	1-Apr-10	31-Mar-11	0.11
9	Mrs. Vandita Sharma I.A.S and Mr. M. Maheshwar Rao, I.A.S (Nominee KSIIDC)*	1-Apr-10	31-Mar-11	0.09
10	Mr. Shigeru Ogura (Nominee JFE Steel Corporation)*	8-Sep-10	31-Mar-11	0.06

\* Payable to the respective Institutions/Organisation they represent.

The Details of Remuneration paid /payable to the Whole-time Directors for the financial year 2010-11 is as given below:

Name of Director	Salary (₹ in crores)	Perks (₹ in crores)	Profit linked Commission (₹ in crores)	Period of Contract	Notice Period
Mr. Sajjan Jindal Vice Chairman & Managing Director	5.83	0.61	14.36	From 07.07.2007 to 06.07.2012	NA
Mr. Seshagiri Rao M.V.S Jt. Managing Director & Group CFO	3.13	0.13	—	From 06.04.2009 to 05.04.2014	3 months from either side or salary in lieu thereof.
Dr. Vinod Nowal Director & CEO	2.26	0.09	—	From 30.04.2007 to 29.04.2012	3 months from either side or salary in lieu thereof.
Mr. Jayant Acharya Director (Commercial & Marketing)	1.91	0.09	—	From 07.05.2009 to 06.05.2014	3 months from either side or salary in lieu thereof.
<b>TOTAL</b>	<b>13.13</b>	<b>0.92</b>	<b>14.36</b>		

**Note:** The above figures exclude provision for leave encashment and contribution to the approved Group Gratuity Fund, which are actuarially determined for the Company as a whole.

#### Shareholding of the Non-Executive Directors in the Company as on 31.03.2011:

None of the Non-Executive Directors other than those named below hold any shares in the Company:

Sl. No.	Director	No. of Equity Shares of ₹ 10/- each held
1	Mrs. Savitri Devi Jindal	7530
2	Dr. S. K. Gupta	4000

#### 5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

The Shareholders/Investors Grievance Committee comprises of 3 Non-Executive Directors all of whom are Independent Directors.

The terms of reference of the Committee are as follows:

- Review the reports submitted by the Registrars and Share Transfer Agents of the Company at half yearly intervals.
- Periodically interact with the Registrars and Share Transfer Agents to ascertain and look into the quality of the Company's Shareholders/ Investors grievance redressal system and to review the report on the functioning of the Investor grievances redressal system.
- Follow-up on the implementation of suggestions for improvement, if any.
- Periodically report to the Board about serious concerns, if any.

The Shareholders /Investors Grievance Committee met twice during the financial year 2010-11 on 24.09.2010 and 25.03.2011. The constitution of the committee and the details of the meetings attended by the Members are as given below:

Sl. No.	Name of the Director	Category	No. of Meetings held	No. of Meetings Attended
1	Mr. K. Vijayaraghavan Chairman	Non-Executive Independent Director	2	1
2	Dr. S. K. Gupta Member	Non-Executive Independent Director	2	2
3	Mr. Uday M. Chitale Member	Non-Executive Independent Director	2	2

Mr. Lancy Varghese, the Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreement with the Stock Exchanges in India. His address and contact details are as given below:

Address: Victoria House, Pandurang Budhkar Marg, Lower Parel (W), Mumbai - 400 013

Phone: 022-24927000 / 43437800

Fax: 022-24917933

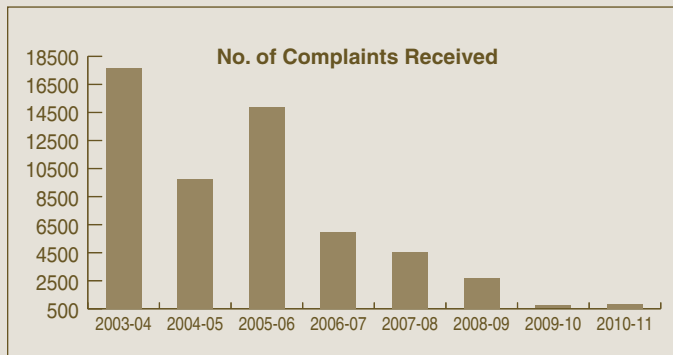
Email: jswsl.investor@jsw.in

#### Investor Grievance Redressal

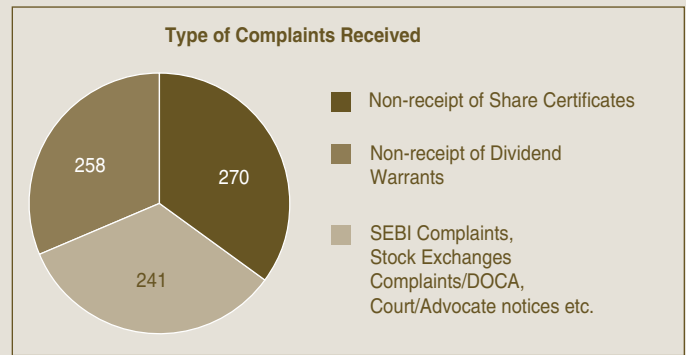
Number of complaints received and resolved to the satisfaction of Shareholders/Investors during the year under review and their break-up is as under:

No. of Shareholders' Complaints received during the year ended 31.03.2011	:	769
Number not solved to the satisfaction of Shareholders	:	Nil
No. of pending Complaints as on 31.03.2011	:	Nil
No. of pending Share Transfers as on 31.03.2011	:	114*

\*There were no share transfers pending for registration for more than 15 days as on the said date.



**Note:** Complaints pertaining to the years subsequent to 2004-05 include investor complaints received from shareholders of Jindal Iron & Steel Co. Limited and Southern Iron & Steel Co. Limited upon its merger with the Company in the financial years 2004-2005 and 2007-2008 respectively.



**6. OTHER MAJOR COMMITTEES OF DIRECTORS:**

In addition to the above referred Committees which are constituted pursuant to the Corporate Governance Code, the Board has constituted the following major Committees of Directors and delegated thereto powers and responsibilities with respect to specific purposes. Time schedule for holding the meetings of such Functional Committees are finalized in consultation with the Committee Members:

Sl. No.	Name of the Committee	Composition	Terms of Reference	Frequency of Meetings
01	Project Review Committee	1. Mr. Anthony Paul Pedder (Chairman), Non-Executive Independent Director 2. Dr. Vinod Nowal, Executive Director 3. Dr. S. K. Gupta, Non-Executive Independent Director 4. Mr. K. Vijayaraghavan, Non-Executive Independent Director 5. Mr. Shigeru Ogura, Nominee Director, JFE Steel Corporation, Japan	1. To closely monitor the progress of Large Projects, in addition to ensuring a proper and effective co-ordination amongst the various project modules essentially with the objective of timely project completion within the budgeted project outlay. 2. To review new strategic initiatives.	Quarterly Four meetings were held on 02.05.2010, 26.07.2010, 27.10.2010 and 28.01.2011.
02	Risk Management Committee *	1. Dr. S. K. Gupta (Chairman), Non-Executive Independent Director 2. Mr. Seshagiri Rao M.V.S., Executive Director 3. Mr. Jayant Acharya, Executive Director 4. Mr. Uday M. Chitale Non-Executive Independent Director 5. Mr. K. Vijayaraghavan, Non-Executive Independent Director	1. To periodically review risk assessment and minimisation procedures to ensure that, Executive Management controls risk through means of a properly defined framework. 2. To review major risks and proposed action plan.	Quarterly Three Meetings were held on 21.07.2010, 24.09.2010 and 10.12.2010.
03	Nomination Committee	1. Mr. Sajjan Jindal (Chairman), Executive Director 2. Mr. Uday M. Chitale, Non-Executive Independent Director 3. Mr. Anthony Paul Pedder, Non-Executive Independent Director	1. To consider Nomination of persons to be inducted on the Board	Need based One Meeting was held on 27.07.2010.
04	Finance Committee	1. Mr. Sajjan Jindal (Chairman), Executive Director 2. Mr. Seshagiri Rao M.V.S., Executive Director 3. Dr. Vinod Nowal, Executive Director 4. Mr. Jayant Acharya, Executive Director	1. To approve availing of credit/financial facilities of any description from Banks/Financial Institutions/ Bodies Corporate within the limits approved by the Board. 2. To approve investments and dealings with any monies of the Company upon such security or without security in such manner as the 'said committee' may deem fit, and from time to time to vary or realise such investments within the framework of the guidelines laid down by the Board.	Need based Meetings were held on 14.04.2010, 16.04.2010, 19.04.2010, 03.05.2010, 10.05.2010, 20.05.2010, 25.05.2010, 22.06.2010, 30.06.2010, 13.07.2010, 23.07.2010, 30.07.2010, 13.08.2010, 16.09.2010, 22.09.2010, 01.10.2010,

Sl. No.	Name of the Committee	Composition	Terms of Reference	Frequency of Meetings
			<p>3. To open new Branch Offices of the Company, to declare the same as such under Section 2(9) of the Companies Act, 1956 and to authorise personnel by way of Power of Attorney or otherwise, to register the aforesaid branches and to deal with various authorities such as the Central Excise, Profession Tax, Commercial Tax, State &amp; Central Sales Tax, VAT Authorities and other Local Authorities.</p> <p>4. To make loans to Individuals/Bodies Corporate and/or to place deposits with other Companies/ Firms upon such security or without security in such manner as the committee may deem fit within the limits approved by the Board.</p> <p>5. To open Current Account(s), Collection Account(s), Operation Account(s), or any other Account(s) with Banks and also to close such accounts, which the 'said Committee' may consider necessary and expedient.</p>	28.10.2010, 08.11.2010, 25.11.2010, 13.12.2010, 20.12.2010, 30.12.2010, 07.01.2011, 01.02.2011, 07.03.2011 and 23.03.2011.

\*The Risk Management Committee, a sub-committee of the Board has further constituted:

- i. "Capex Risk Evaluation Committee" to evaluate the risks associated with capex proposals including mergers and acquisitions.
- ii. Locational Committees namely (a) Corporate Locational Committee (b) Upstream Locational Committee (c) Downstream Locational Committee and (d) Salem Locational Committee to further review risk assessment at Locational Level.

## 7. GENERAL BODY MEETINGS:

### A. Annual General Meetings:

The details of date and time of the Annual General Meetings (AGMs) of the Company held during the preceding three years, at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020 and the Special Resolutions passed there at are as under:

AGM	Date	Time	Special Resolutions Passed
14th AGM	16.06.2008	11.00 a.m.	Nil
15th AGM	06.07.2009	11.00 a.m.	<ol style="list-style-type: none"> <li>1. To issue, offer and allot Equity Shares and/or Securities other than Warrants, which are convertible into Equity Shares to Qualified Institutional Buyers (QIB), by way of Qualified Institutions Placement, for an aggregate amount not exceeding US\$ 1 Billion and/or</li> <li>2. To offer, issue, and allot in one or more tranches, Foreign Currency Convertible Bonds (FCCBs)/ Global Depository Receipts (GDRs)/American Depository Receipts (ADRs)/Warrants and/or other Instruments convertible into Equity shares not exceeding US\$ 1 Billion in the aggregate. (Such that the total amount to be raised vide both of the above proposed issues would not in the aggregate exceed a sum of US \$ 1 Billion or its Indian Rupee equivalent, inclusive of such premium as may be determined by the Board).</li> </ol>
16th AGM	29.06.2010	11.00 a.m.	Payment of Commission not exceeding in the aggregate, one percent of the net profits of the Company to Non-Executive Directors of the Company for a period of five years from the financial year commencing from 1st April, 2010, in addition to the sitting fees and reimbursement of expenses incurred.

### B. Extra Ordinary General Meetings:

The details of date, time and venue of the Extra General Meetings (EGMs) of the Company held during the preceding three years and the Special Resolutions passed there at are as under:

EGM – Date & Time	Venue	Special Resolutions Passed
02.06.2010 11.00 a.m.	Birla Matushri Sabhagar, 19 Marine Lines, Mumbai - 400 020	To approve the issue of upto 1,75,00,000 Warrants convertible into Equity Shares of the Company to Sapphire Technologies Limited, a promoter group company on a preferential basis.
26.08.2010 11.00 a.m.	Patkar Convocation Hall of S.N.D.T Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai - 400 020	To create, offer, issue and allot either Equity Shares or a Fully Convertible Debenture of the Company representing not more than 14.99% of the paid-up equity share capital of the Company to JFE Steel Corporation, Japan, on a preferential basis.

**C. Special Resolutions passed through Postal Ballot during 2010-11:**

Pursuant to Section 81(1A) of the Companies Act, 1956 read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001, a Notice dated October 26, 2010 was sent to the Shareholders seeking their consent for the following:

1. Issue of 977,906 Equity Shares on a preferential basis to JFE Steel Corporation, Japan.
2. Issue of 3,085,814 Global Depository Receipts (GDRs) on a preferential basis to JFE Steel Corporation, Japan.

The ballot forms were returnable by December 04, 2010, The results were declared on December 06, 2010 at the Registered Office of the Company at Jindal Mansion, 5A Dr. G. Deshmukh Marg, Mumbai 400 026.

Mr. Prem Rajani of Rajani Associates, Advocates & Solicitors, Mumbai, was appointed as Scrutinizer to receive and scrutinize the completed postal ballot papers received from the Members and for conducting the Postal Ballot process in a fair and transparent manner.

The results of the voting conducted through Postal Ballot are as given below:

Reso- lution No.	Particulars	No. of valid votes cast	Votes cast in favour of the resolu- tion	Votes cast against the resolu- tion
1.	Issue of 977,906 Equity Shares on a preferential basis to JFE Steel Corporation, Japan	13,13,30,202	13,12,84,501	45,701
2	Issue of 3,085,814 Global Depository Receipts (GDRs) on a preferential basis to JFE Steel Corporation, Japan	13,13,25,612	13,12,76,395	49,217

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

**8. DISCLOSURES:**

- i. There were no materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or the Management, their relatives or Subsidiaries etc. which could conflict with the interests of the Company.
- ii. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.
- iii. The Company has laid down procedures to inform Board members about the risk assessment and minimisation procedures, which are periodically reviewed.

**9. WHISTLE BLOWER POLICY:**

The Whistle Blower Policy (WBP) adopted by the Company in line with Clause 7 of Annexure 1D to Clause 49 of the Listing Agreement, which is a non-mandatory requirement, encourages all employees, officers and directors to report any suspected violations promptly and intends to investigate any good faith reports of violations. The Whistle Blower Policy specifies the procedure and reporting authority

for reporting unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements.

WBP also provides safeguards against victimization or unfair treatment of the employees who avail of the mechanism and no personnel has been denied access to the Audit Committee.

**10. SUBSIDIARY MONITORING FRAMEWORK:**

All the Subsidiary Companies of the Company are Board managed with their Boards having the right and obligations to manage such companies in the best interest of their stakeholders. As a majority shareholder, the Company nominates its representatives on the Boards of subsidiary companies and monitors the performance of such companies, inter alia, by the following means:

- a) A copy of the Minutes of the Meetings of the Board of Directors of the Company's subsidiaries along with Exception Reports and quarterly Compliance Certificates issued by CEO/CFO/CS are tabled before the Company's Board, quarterly.
- b) A summary of the Minutes of the Meetings of the Board of Directors of the Company's subsidiaries are circulated to the Company's Board, quarterly.
- c) A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board.

**11. MEANS OF COMMUNICATION:**

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end:

- a) **Quarterly/ Half Yearly/ Annual Results:** The Quarterly, Half Yearly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.
- b) **Publication of Quarterly/ Half Yearly/ Annual Results:** The Quarterly, Half Yearly and Annual Results of the Company are published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, at least in one English newspaper circulating in the whole or substantially the whole of India and in one Vernacular newspaper of the State of Maharashtra where the Registered Office of the Company is situated.

The quarterly financial results during the financial year 2010-11 were published as detailed below:

Quarter (F.Y. 2010-11)	Date of Board Meeting	Date of publication	Name of the Newspapers
1	27.07.2010	28.07.2010	The Financial Express and Navshakti
2	26.10.2010	27.10.2010	The Financial Express and Navshakti
3	27.01.2011	28.01.2011	The Financial Express and Navshakti

- c) **Monthly production figures and other press releases:** To provide information to Investors, monthly production figures and other press releases are sent to the Stock Exchanges as well as displayed on the Company's website before it is released to the media.
- d) **Website:** The Company's website www.jsw.in contains a separate dedicated section "Investor Zone" where information for shareholders is available. The Quarterly/Annually Financial Results, annual reports, analysts presentations, investor forms, stock exchange information, shareholding pattern, corporate benefits, investors' contact details etc., are posted on the

website in addition to the information stipulated under Clause 54 of the Listing Agreement. The latest official press releases are also available on the website.

- e) **Presentations to Analysts:** Four presentations were made to analysts during the FY 2010-2011 on 27.07.2010, 26.10.2010, 21.12.2010 and on 27.01.2011. The same are available on the Company's website. The Presentations broadly covered operations, financials and industry outlook.
- f) **Corporate Filing and Dissemination System (CFDS) Filing:** As per the requirements of Clause 52 of the Listing Agreement, all the data relating to financial results, shareholding pattern etc. have been electronically filed on the Corporate Filing and Dissemination System (CFDS) portal, www.corpfiling.co.in, within the time frame prescribed in this regard.
- g) **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.
- h) **Chairman's Communiqué:** Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings. The same is also placed on the website of the Company.
- i) **Reminder to Investors:** Reminders for unpaid dividend/unpaid interest on debentures are sent to the Shareholders/Debenture holders as per records at appropriate intervals.

## 12. GENERAL SHAREHOLDERS INFORMATION:

### 12.01 Annual General Meeting:

Date and Time	: 25.07.2011 at 11.00 a.m.
Venue	: Birla Matushree Sabhagar, New Marine Lines, Mumbai-400 020
Dates of Book Closure	: 13.07.2011 to 15.07.2011 (both days inclusive)
Dividend Payment Date	: 29.07.2011

### 12.02 Financial Calendar 2011 -12:

First quarterly results	: July, 2011
Second quarterly results	: October, 2011
Third quarterly results	: January, 2012
Annual results for the year ending on 31.03.2012	: April/May, 2012
Annual General Meeting for the Year 2012	: June/July, 2012

### 12.03 Corporate Identity Number (CIN):

The CIN of the Company allotted by the Ministry of Corporate Affairs, Government of India is L27102MH1994PLC152925.

### 12.04 Listing on Stock Exchanges:

The Company's Equity Shares & 10% Cumulative Redeemable Preference Shares are listed on the following Stock Exchanges in India:

Bombay Stock Exchange Limited (BSE)	National Stock Exchange of India Limited (NSE)
Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001	Exchange Plaza Bandra-Kurla Complex Bandra East, Mumbai 400 051

The following Redeemable Secured Non-Convertible Debentures of the Company are listed on the BSE:

Sl. No.	Coupon Rate	Face Value
01.	10.20% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
02.	10.20% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
03.	10.10% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
04.	10.10% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
05.	10.25% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
06.	10.60% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each
07.	10.60% Secured Redeemable Non-convertible Debentures	₹ 10 Lakhs each

The Company has paid Annual Listing Fees as applicable, to the BSE and the NSE for the financial years 2010-11 and 2011-12.

The Foreign Currency Convertible Bonds (FCCBs) issued by the Company in the International Market are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"), 2 Shenton Way, #19-00 SGX Centre 1, Singapore 068 804.

The Annual Listing fee as applicable for the Calendar Year 2011 has also been paid by the Company to the SGX.

### Stock Code:

Bombay Stock Exchange Ltd. (BSE)			National Stock Exchange of India Ltd. (NSE)			Singapore Exchange Securities Trading Limited (SGX-ST)
Equity	Preference	Debentures	Equity	Preference	Debentures	FCCB
500228	700085	934657 945781 946540 946594 945893 946364 946501	JSW-STEEL	JSW-STEEL	N.A	3IJB

### ISIN No. for Dematerialisation of listed Shares/Debentures/FCCBs:

Equity	: INE019A01020
Preference:	: INE019A04016
Debentures:	: INE548G07014 – 10.20% NCDs of ₹10 Lakhs each
	: INE710B07011 – 10.20% NCDs of ₹10 Lakhs each
	: INE019A07175 – 10.10% NCDs of ₹10 Lakhs each
	: INE019A07191 – 10.10% NCDs of ₹10 Lakhs each
	: INE019A07126 – 10.25% NCDs of ₹10 Lakhs each
	: INE019A07167 – 10.60% NCDs of ₹10 Lakhs each
	: INE019A07183 – 10.60% NCDs of ₹10 Lakhs each
FCCBs	: XSO302937031

### Debenture Trustees:

IDBI Trusteeship Services Limited  
Asian Building, Ground Floor, 17th R. Kamani Marg,  
Ballard Estate, Mumbai 400 001

AXIS Bank Limited  
Regd. Office: Sakar 1, Ground Floor,  
Off Ashram Road, Ahmedabad 380 009  
Central Office: 13th floor, Maker Tower 'F',  
Cuffe Parade, Colaba, Mumbai 400 005

## JSW Steel Limited

### FCCB Trustees:

CITIBANK N.A

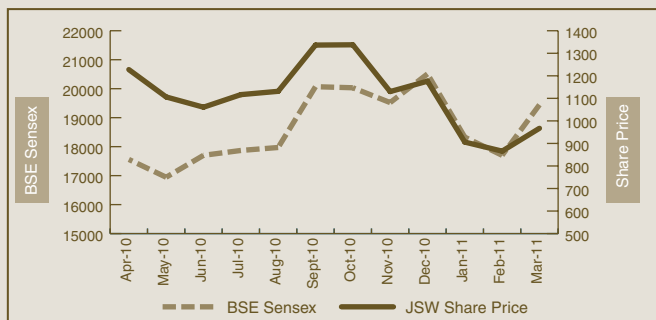
London Branch, 14th Floor, Citigroup Centre, Canada Square, Canary Wharf, London - E14 5LB

### 12.05 Market Price Data

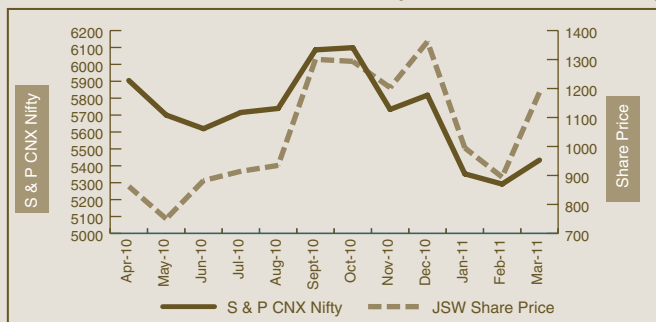
The monthly high/low market price of the shares and the quantities traded during the year 2010-11 at the Bombay and National Stock Exchanges are as under:

Month	Bombay Stock Exchange Ltd.			National Stock Exchange of India Ltd.		
	High (In ₹ Per share)	Low (In ₹ Per share)	No. of shares traded	High (In ₹ Per share)	Low (In ₹ Per share)	No. of shares traded
Apr' 2010	1300.00	1170.5	52,94,949	1301.90	1170.00	2,55,84,476
May 2010	1274.00	984.95	1,32,73,087	1271.00	983.20	4,95,68,618
Jun' 2010	1118.30	1000.00	91,19,418	1118.35	1001.00	3,92,82,194
Jul' 2010	1231.00	1020.00	93,62,316	1230.50	1020.00	3,57,94,315
Aug' 2010	1169.80	1085.00	43,93,460	1169.95	1083.60	1,97,33,045
Sept' 2010	1344.20	1132.10	48,68,151	1347.00	1133.15	2,38,76,461
Oct' 2010	1400.00	1212.00	39,97,146	1400.00	1212.35	2,58,55,558
Nov' 2010	1363.40	1095.00	15,34,851	1365.85	1093.60	94,96,215
Dec' 2010	1240.00	1033.35	37,85,149	1239.70	1031.00	2,15,83,054
Jan' 2011	1212.50	851.55	69,85,429	1213.80	860.10	3,69,44,417
Feb' 2011	945.95	752.00	1,00,81,314	945.00	750.85	4,03,80,052
Mar' 2011	972.50	831.35	97,15,439	972.40	858.50	3,83,40,241

### 12.06 Performance of Share Price in comparison to BSE Sensex:



### 12.07 Performance of Share Price in comparison to S & P CNX Nifty:



### 12.08 Percentage change in comparison to Broad Based indices – Sensex and Nifty as on March 31, 2011 :

Financial Year	JSW Share Price %	Sensex %	JSW Share Price %	Nifty %
2010-11	78	111	77	111
2009-10	533	181	530	174
2008-09	-71.17	-38.44	-71.57	-36.13
2007-08	65.99	18.21	66.18	23.88
2006-07	63.01	13.22	62.78	12.31
2005-06	-16.04	42.33	-16.45	67.14

### 12.09 Registrar & Share Transfer Agents:

Karvy Computershare Private Limited

Plot No.17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081

Ph: 040 - 23420815-824 (10 lines)

Fax: 040 - 23420814

E-mail: einward.ris@karvy.com

Website: www.karvy.com

### 12.10 Share Transfer System:

Transfer of Shares held in physical form can be lodged with Karvy Computershare Private Limited at the above mentioned address. The transfer requests are normally processed within 15 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks.

The Board has delegated the authority for approving transfers, transmissions etc. of the Company's securities to the Share/ Debenture Transfer Committee. The decisions of Share/Debenture Transfer Committee are placed at the Next Board Meeting. The Company obtains from a Company Secretary in Practice, a half yearly Certificate of Compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

### 12.11 Distribution of Shareholding:

The distribution of shareholding by size as on 31.03.2011 is given below:

Sl. No.	No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Share-holding
1	1-500	543514	99.33	12362074	5.54
2	501-1000	1968	0.36	1408787	0.63
3	1001-2000	783	0.14	1111256	0.50
4	2001-3000	219	0.04	535852	0.24
5	3001-4000	100	0.02	354481	0.16
6	4001-5000	74	0.01	339317	0.15
7	5001-10000	154	0.03	1076556	0.48
8	10001-20000	92	0.02	1322005	0.59
9	20001 and above	293	0.05	204606872	91.70
	<b>Total</b>	<b>547197</b>	<b>100.00</b>	<b>223117200</b>	<b>100.00</b>

### 12.12 Shareholding Pattern:

Category	As on 31.03.2011			As on 31.03.2010		
	No. of Holders	No. of Shares	% of holding	No. of Holders	No. of Shares	% of holding
Promoters	111	84143661	37.71	112	84175673	45
NRI	11478	3111779	1.39	11630	3101605	1.66
FII	274	54740502	24.53	319	59591549	31.86
OCB	7	40712	0.02	7	40712	0.02
FBC	3	41201389	18.47	2	8218685	4.39
IFI	11	8202236	3.68	5	5818696	3.11
IMF	83	1354265	0.61	71	1701778	0.91
Banks	30	1358165	0.61	24	2032832	1.09
Employees	2039	96247	0.04	2239	62706	0.03
Bodies Corporate	2902	8981353	4.03	2683	7572699	4.05
Public	527660	15308532	6.86	521338	13642278	7.29
Trust	13	1120268	0.50	11	833140	0.45
HUF	2584	371081	0.17	2164	255133	0.14
GDR	1	3085814	1.38	0	0	0
Transit A/C	1	1196	0.00	1	1196	0
<b>Total</b>	<b>547197</b>	<b>223117200</b>	<b>100.00</b>	<b>540606</b>	<b>187048682</b>	<b>100</b>

## 12.13 Top 10 Shareholders as on 31.03.2011:

Sl. No.	Name	Shares	%
1	JFE Steel Corporation	32982704	14.78
2	Jindal South West Holdings Limited	17284923	7.75
3	JSW Energy Investments Private Limited	13764364	6.17
4	JSW Investments Private Limited	7858165	3.52
5	JSW Power Trading Company Limited	7003835	3.14
6	Janus Contrarian Fund	6549160	2.94
7	Duferco Coke Investments Limited	5035241	2.26
8	Nalwa Sons Investments Limited	4548537	2.04
9	Mavi Investment Fund Limited	4417000	1.98
10	Life Insurance Corporation of India	4175363	1.87

## 12.14 Geographical Distribution of Shareholders as on 31.03.2011:

Sl. No.	Name of the City	Electronic			Physical			Total		
		No. of Shareholders	No. of Shares	% of total Shareholding	No. of Shareholders	No. of Shares	% of total Shareholding	No. of Shareholders	No. of Shares	% of total Shareholding
1	Mumbai	38629	173220442	77.64	31011	874253	0.39	69640	174094695	78.03
2	New Delhi	18011	14381469	6.45	29249	393198	0.18	47260	14774667	6.62
3	Ahmedabad	10377	714131	0.32	11247	137266	0.06	21624	851397	0.38
4	Calcutta	9725	1023917	0.46	9410	143242	0.06	19135	1167159	0.52
5	Bangalore	8650	1385546	0.62	8653	569183	0.26	17303	1954729	0.88
6	Chennai	7113	2206240	0.99	7241	115994	0.05	14354	2322234	1.04
7	Pune	4885	231919	0.10	3529	57144	0.03	8414	289063	0.13
8	Hyderabad	4536	284594	0.13	5147	75556	0.03	9683	360150	0.16
9	Vadodara	5050	178545	0.08	5855	51387	0.02	10905	229932	0.10
10	Agra	1078	31763	0.01	2134	17372	0.01	3212	49135	0.02
11	Chandigarh	1489	59138	0.03	2401	23189	0.01	3890	82327	0.04
12	Coimbatore	3544	613617	0.28	5827	176980	0.08	9371	790597	0.35
13	Gandhi Nagar	2675	59584	0.03	4224	30933	0.01	6899	90517	0.04
14	Ghaziabad	1246	39742	0.02	1779	16848	0.01	3025	56590	0.03
15	Hissar	1371	4658751	2.09	3579	55690	0.02	4950	4714441	2.11
16	Howrah	1552	54492	0.02	1524	20931	0.01	3076	75423	0.03
17	Indore	1723	63614	0.03	2592	23411	0.01	4315	87025	0.04
18	Jaipur	3459	109235	0.05	4982	42282	0.02	8441	151517	0.07
19	Jamnagar	1164	21309	0.01	2273	16215	0.01	3437	37524	0.02
20	Kanpur	2000	171853	0.08	3577	35000	0.02	5577	206853	0.09
21	Lucknow	1834	53375	0.02	2466	25551	0.01	4300	78926	0.04
22	Mehsana	1573	41218	0.02	3010	19036	0.01	4583	60254	0.03
23	Patna	1075	39856	0.02	2006	25065	0.01	3081	64921	0.03
24	Rajkot	2202	126016	0.06	3674	30479	0.01	5876	156495	0.07
25	Surat	4089	147933	0.07	5070	41281	0.02	9159	189214	0.08
26	Thane	3662	200938	0.09	2970	54832	0.02	6632	255770	0.11
27	Others	91365	17669283	7.92	147690	2256362	1.01	239055	19925645	8.93
	<b>Total</b>	<b>234077</b>	<b>217788520</b>	<b>97.61</b>	<b>313120</b>	<b>5328680</b>	<b>2.39</b>	<b>547197</b>	<b>223117200</b>	<b>100.00</b>

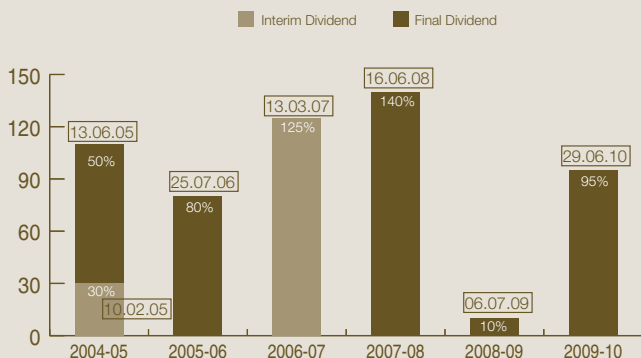
12.15 Corporate Benefits to Shareholders:

a) Dividend declared for the last six years:

Financial Year	Dividend Declaration Date	Dividend Rate (%)
2009-10	29.06.2010	95 (Final Dividend)
2008-09	06.07.2009	10 (Final Dividend)
2007-08	16.06.2008	140 (Final Dividend)
2006-07	13.03.2007/13.06.2007	125 (Interim cum Final Dividend)
2005-06	25.07.2006	80 (Final Dividend)
2004-05	10.02.2005	30 (Interim Dividend)
	13.06.2005	80 (Final Dividend Including Interim Dividend)

Note – Dates indicated above are date of declaration by the Board in case of Interim Dividend and by Members in case of Final Dividend.

The Dividend History of the Company



b) Unclaimed Dividends:

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years, are to be transferred statutorily to the Investor Education and Protection Fund (IEPF) administered by the Central Government and thereafter cannot be claimed by the investors. To ensure maximum disbursement of unclaimed dividend, the Company sends reminders to the concerned investors at appropriate intervals.

The unpaid/unclaimed dividends upto the financial year ended 31.03.1995 had been transferred to the General Revenue Account of the Central Government. The Members, who have not claimed their dividend for the said period till date, may claim the amount from the Registrar of Companies- Mumbai. Apart from the above, the Company has transferred the unpaid dividends upto 31.03.2003 to the IEPF.

Pursuant to Section 205A(5) of the Companies Act, 1956 the unpaid dividends that are due for transfer to the IEPF are as follows:

Financial Year	Date of Declaration of Dividend	Unclaimed Dividend Amount as on 31.03.2011	Per-centage	Due for transfer to IEPF
2004-2005 (Interim Dividend)	10.02.2005	1,26,86,136.00	30%	19.03.2012
2004-2005 (Final Dividend)	13.06.2005	1,18,36,388.57	50%	20.07.2012
2005-2006 (Final Dividend)	25.07.2006	1,53,99,964.88	80%	31.08.2013

Financial Year	Date of Declaration of Dividend	Unclaimed Dividend Amount as on 31.03.2011	Per-centage	Due for transfer to IEPF
2006-2007 (Interim Cum Final Dividend)	13.03.2007	2,16,51,460.14	125%	19.04.2014
2007-2008 (Final Dividend)	16.06.2008	2,65,86,798.01	140%	23.07.2015
2008-2009 (Final Dividend)	06.07.2009	30,32,175.00	10%	12.08.2016
2009-2010 (Final Dividend)	29.06.2010	2,16,57,373.00	95%	05.08.2017

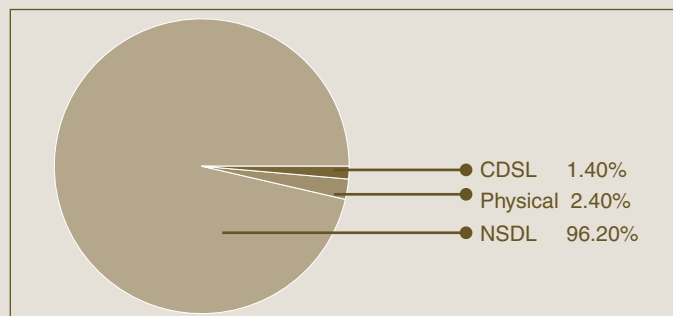
Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company or its Registrar, for obtaining payments thereof atleast 20 days before they are due for transfer to the said fund.

12.16 Unclaimed Shares:

42,153 Share Certificates in respect of 6,34,542 Equity Shares pertaining to 42,128 Shareholders are lying undelivered with the Company's R & T Agents as at March 31, 2011. The Company after sending three reminders to the registered address of the shareholders, requesting for correct particulars to dispatch the undelivered share certificates, will be crediting the unclaimed shares to a Demat Suspense Account to be opened by the Company for this purpose with one of the Depository Participants, if no response is received. Any corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc., shall be credited to the said Demat Suspense Account. The voting rights on these shares shall also remain frozen till the rightful owner of such shares claims the shares.

As and when the rightful owner of such shares approaches the Company at later date, the Company shall to the extent of his/her entitlement, arrange to deliver the shares from the said account to the rightful owner after proper verification of his/her identity.

12.17 Dematerialisation of Shares and Liquidity:



The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility. 21,77,88,520 Equity Shares aggregating to 97.60% of the total Equity Capital is held in dematerialised form as on 31.03.2011 of which 96.20% (21,46,46,493) Equity Shares of total equity capital is held in NSDL and 1.40% (31,42,027 Equity Shares) of total equity capital is held in CDSL as on 31.03. 2011.

**12.18 Physical Share Purchase Scheme:**

Having regard to the difficulties experienced by the shareholders in disposing of their shares held in physical form and to mitigate the hardship caused to them, the Company has, along with Karvy Computershare Private Limited (Karvy), formulated a Physical Share Purchase Scheme in 2005-06.

The Equity Shares in physical mode tendered by the shareholders under the scheme are sold by Karvy at the prevailing market price and the net sale proceeds thereof are distributed to the concerned shareholders. The shareholders who wish to avail benefit of the scheme may kindly contact Karvy.

**12.19 National Electronic Clearing Service (NECS):**

As per the directive from Securities and Exchange Board of India (SEBI), all Companies used to use Electronic Clearing Service (ECS) facility, introduced by Reserve Bank of India (RBI), for distributing dividends and other cash benefits to investors, wherever available. In this system, the investor's bank account is credited with the dividend amount using the services of a Clearing House, based on the information provided by the Company, under advice to the investor.

As per RBI notification, with effect from October 1, 2009, the remittance of the money through centralised ECS is replaced by National Electronic Clearing Service (NECS) and banks have been instructed to move to the NECS platform with immediate effect. The advantages of NECS over ECS include faster credit of remittance to beneficiary's account, coverage of more bank branches and ease of operations for remitting agencies.

NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions.

The Company will remit the dividend payment through National Electronic Clearing Service (NECS) to the shareholders having accounts with Branches of Banks covered under CBS (Core Banking Solution).

Equity Shareholders holding shares in physical form, who wish to avail the NECS facility, may send their NECS mandate in the format attached to the Company's R & T Agents, in the event they have not done so earlier. Equity Shareholders holding shares in electronic mode may furnish their new Bank Account Number allotted to them by their bank after implementation of CBS, alongwith a photocopy of a cheque pertaining to the concerned account, or the NECS mandate to their Depository Participant (DP), at the earliest.

**12.20 Green Initiative for Paperless Communications:**

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by Companies through electronic mode and has issued recently a circular bearing no.17/2011 dated April 21, 2011 stating that service of documents by a Company to its Members can be made through electronic mode. The move of the ministry allows public at large to contribute to the green movement.

Keeping in view the underlying theme and the circular issued by MCA, the Company proposes to send various communications and documents like notice calling general meetings, audited financial statements, directors' report, auditor's report etc., henceforth, in electronic form, to the e-mail address provided by the Members to the Depositories or to the Company.

This is also a golden opportunity for every shareholder of JSW Steel Limited to contribute to this Corporate Social Responsibility initiative of the Company. To support this green initiative in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to fill in the registration form which can be obtained from Company's Registrar Karvy Computershare Private Limited or downloaded from the Company's website www.jsw.in under the section 'Shareholder's Information', and register the same with the Company's Registrar.

**12.21 Nomination Facility:**

Pursuant to the provisions of Section 109A of the Companies Act, 1956, members are entitled to make nominations in respect of shares held by them. Members holding shares in physical form and intending to make/change the nomination in respect of their shares in the Company may submit their requests in Form No. 2B to Company's Registrar, Karvy Computershare Private Limited. Members holding shares in electronic form may submit their nomination requests to their respective Depository Participants directly. Form No. 2B can be obtained from Company's Registrar Karvy Computershare Private Limited or downloaded from the Company's website www.jsw.in under the section 'Shareholder's Information'.

**12.22 Outstanding GDRs/ADRs or Warrants or any Convertible Instrument, conversion dates and likely impact on Equity:****(a) FCCBs:**

The Company had issued 3,250 Foreign Currency Convertible Bonds (FCCBs), of US \$ 100,000 each during the financial year 2007-08. As per the option attached to the FCCBs, each Bond is convertible into Equity Shares of face value of ₹ 10/- each of the Company at a conversion price of ₹ 953.40 per share, at any time on or after 07.08.2007 until the close of business on 21.03.2012, unless previously redeemed, converted or purchased and cancelled and except during a closed period.

In the Financial Year 2007-08, one of the Bond Holders i.e. Deutsche Bank AG London, had opted for the conversion of 8 Bonds into Equity Shares on 31.12.2007 and accordingly the Company had issued 33,799 Equity Shares of face value of ₹10/- each of the Company to Deutsche Bank AG London.

The Board of Directors at its meeting held on 28.01.2009, resolved to explore opportunities to buy back a portion of the Company's outstanding Foreign Currency Convertible Bonds (FCCBs). In the Financial year 2008-09, 14.74% of the Company's outstanding Zero Coupon Foreign Currency Convertible Bonds of US \$ 1,00,000 each due on 2012 (ISIN XS0302937031), aggregating to US \$ 47.80 million were repurchased in accordance with the A.P. (DIR Series) Circular No. 39 dated 08.12.2008 issued by the Reserve Bank of India and subsequently cancelled.

The principal amount of FCCBs outstanding as at 31.03.2011 after the above conversion, repurchase and cancellation is US \$ 274.40 million.

**(b) Equity Warrants:**

1,75,00,000 (One crore seventy five lakhs) warrants were allotted on June 16, 2010 to Sapphire Technologies Limited, a Promoter Group Company, on a preferential basis.

Each warrant entitles the holder to apply for and be allotted one equity share of the Company of par value of ₹ 10/- each, at a price of ₹ 1,210/- per equity share, at any time within 18 months from the date of allotment of the warrants, i.e. within December 15, 2011.

## JSW Steel Limited

### (c) Global Depository Receipts (GDRs):

Pursuant to the Subscription Agreement entered into by the Company with JFE Steel Corporation on 27.07.2010, 3,085,814 non-voting, non-transferable Global Depository Receipts representing 3,085,814 underlying shares of the Company i.e. 1.38% of the issued and subscribed share capital, are outstanding as on March 31, 2011. The GDRs are not listed on any Exchange.

### 12.23 Registered Office:

Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai - 400 026.

### 12.24 Plant Locations:

Vijayanagar : P.O. Vidyanagar, Toranagallu Village, Sandur Taluk, Bellary Dist., Karnataka - 583 275.  
Vasind : Shahapur Taluk, Thane District, Maharashtra - 421 604.  
Tarapur : MIDC Boisar, Thane, Maharashtra - 401 506.  
Salem : Pottaneri, M Kalipatti Village, Mecheri Post, Mettur Taluk, Salem Dist., Tamil Nadu - 636 453.

### 12.25 Address for Investor Correspondence:

#### I. Retail Investors

##### a) For Securities held in Physical form

Registrar & Share Transfer Agents  
Karvy Computershare Private Limited  
Plot No.17 to 24, Vittalrao Nagar,  
Madhapur, Hyderabad - 500 081  
Tel. No.: 040 - 23420815-824 (10 lines)  
Fax No.: 040 - 23420814  
E-mail: einward.ris@karvy.com  
Website: www.karvy.com

##### b) For Securities held in Demat form

The investors' Depository Participant(s) and/or Karvy Computershare Private Limited

##### c) JSW Steel Limited - Investor Relation Center

Victoria House, Pandurang Budhkar Marg,  
Lower Parel (W), Mumbai - 400 013  
Tel. No.: 022-24917930/31/94  
Fax No.: 022-24917933  
Email: jswsl.investor@jsw.in

#### II. Institutional Investors

Mr. Rajesh Asher  
Sr. Vice President (Finance & Investor Relations),  
Jindal Mansion,  
5A, Dr. G. Deshmukh Marg,  
Mumbai 400 026  
Tel. No.: 022-23513000  
Fax No.: 022-23526400

#### III. Designated exclusive E-mail-id for Investor servicing:

jswsl.investor@jsw.in

#### IV. Toll Free Number of R & T Agent's exclusive Call Centre:

1-800-3454001

#### V. Web-based Query Redressal System

A new facility has been extended by the Registrar and Share Transfer Agents for redressal of Shareholders' queries. The Shareholder can visit <http://karisma.karvy.com> and click on "investors" option for query registration after free identity registration.

After logging in, Shareholders can submit their query in the "QUERIES" option provided on the website, which would generate a grievance registration number. For accessing the status/response to their query,

the same number can be used at the option "VIEW/ REPLY" after 24 hours. The Shareholders can continue to put additional queries relating to the case till they are satisfied.

### 13. CORPORATE ETHICS:

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. A Code of Conduct for Board Members and Senior Management and a Code of Conduct for Prevention of Insider Trading has been adopted pursuant to clause 49 (D) of the Listing Agreement and the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (as amended), respectively, besides other measures taken as detailed below:

#### a) Code of Conduct for Board Members and Senior Management:

The Board of Directors of the Company adopted the Code of Conduct for its members and Senior Management at their meeting held on 20.10.2005. The Code highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

Minor modifications were made to the Code of Conduct and the amended Code of Conduct was adopted by the Board in its meeting held on 24.10.2008

The Code is applicable to all Directors and specified Senior Management Executives. The Code impresses upon Directors and Senior Management Executives to uphold the interest of the Company and its stakeholders and to endeavor to fulfill all the fiduciary obligations towards them. Another important principle on which the code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standards of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties. The Code has been posted on the website of the Company [www.jsw.in](http://www.jsw.in).

#### Declaration affirming compliance of Code of Conduct:

The Company has received confirmations from the Directors as well as Senior Management Executives regarding compliance of the Code of Conduct during the year under review.

A declaration by the Joint Managing Director and Group CFO affirming compliance of Board Members and Senior Management Personnel to the Code is also annexed herewith.

#### b) Code of Conduct for Prevention of Insider Trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading for its Management, Staff and Directors. The Code lays down guidelines and procedures to be followed and disclosures to be made by Directors, Top Level Executives and Staff whilst dealing in shares of the Company.

Minor modifications were made to the "JSWSL Code of Conduct for Prevention of Insider Trading" in line with the amendments made to the "Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2008, by SEBI. The amended code was adopted by the Board in its meeting held on 07.05.2009.

The policy and the procedures are periodically communicated to the employees who are considered as insiders of the Company. Trading window closure is intimated to all employees in advance, whenever required.

The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

**c) Reconciliation of Share Capital Audit Report:**

SEBI has vide its Circular No. CIR/MRD/DP/30/2010 dated 06.09.2010 renamed the 'Secretarial Audit Report' as the 'Reconciliation of Share Capital Audit Report'.

Reconciliation of Share Capital Audit Report in terms of SEBI Directive no. D&CC/FITTC/CIR-16/2002 dated 31.12.2002, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis and is also submitted to the Stock Exchanges where the shares of the Company are listed.

**d) Internal Checks and Balances:**

Wide use of technology in the Company's financial reporting processes ensures robustness and integrity. The Company deploys a robust system of internal controls to allow optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports and ensure compliance with statutory laws, regulations and Company policies. The Company has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board and the management periodically review the findings and recommendations of the auditors and take necessary corrective actions whenever necessary. The Board recognises the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company.

**e) Legal Compliance of the Company's Subsidiaries:**

Periodical Management audit ensures that the Company's Subsidiaries conducts its business with high standards of legal, statutory and regulatory compliances. As per the report of the Management Auditors, there has been no material non compliance with the applicable statutory requirements by the Company and its subsidiaries.

**f) Human Rights Policy:**

Human rights are the Standards of Treatment to which all people are entitled. On December 10, 1948 the General Assembly of the

United Nations adopted and proclaimed the Universal Declaration of Human Rights (UDHR) which is the most widely recognised definition of Human Rights. The Declaration represents a contract between governments and their people, who have a right to demand that this document be respected. The Declaration continues to affirm the inherent human dignity and worth of every person in the world, without distinction of any kind.

Although human rights are principally the responsibility of national governments, this has become an increasingly important issue for business.

In line with JSW's heritage as a responsible corporate citizen and its commitment to respecting the economic, social, cultural, political and civil rights of individuals involved in and impacted by its operations, the Board of Directors in its meeting held on 20.01.2010 has approved a Formal Human Rights Policy for adoption by the Company and all its Subsidiaries as part of its global personnel policies, in line with the practice followed internationally by Companies of Repute.

**Compliance Certificate by Auditors:**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 which is annexed herewith.

**DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31.03.2011.

For **JSW Steel Limited**

Place: Mumbai  
Date: May 16, 2011.

**Seshagiri Rao M.V.S**  
Joint Managing Director & Group CFO

**AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:**

We have examined the compliance of the conditions of Corporate Governance by JSW Steel Limited for the year ended 31.03.2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Registration No. 117366W

**P. B. PARDIWALLA**  
Partner  
Membership No. 40005

Place: Mumbai  
Date: May 16, 2011.