

Report on Corporate Governance for the F.Y. 2010 – 11

1. COMPANY'S GOVERNANCE PHILOSOPHY:

The Company seeks to focus on enhancement of long-term value creation for all stakeholders without compromising on integrity, social obligations and regulatory compliances. As a responsible corporate citizen, JSW Energy encourages and recognises employee participation in environment and social initiatives that contribute to organisational sustainability, training, learning, personal growth, conservation of energy and other scarce resources, promoting safety and health of its employees and of the neighbouring communities. JSW Energy believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders.

The Company's philosophy on Corporate Governance finds its roots in the rich legacy of ethical governance practices, many of which were in place even before they were mandated. This philosophy has been sought to be strengthened through the JSW Code of Conduct, the Whistle Blower Policy and the JSW Code for Prevention of Insider Trading which have been adopted, which interalia form guidelines for "Leadership with Trust". The Company will continue to focus its energies and resources in creating and safeguarding of shareholders' wealth and, at the same time, protect the interests of all its stakeholders.

The 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 are appointed by shareholders at General Meetings. All Directors except Managing Director and Nominee Directors are, subject to Company's Articles of Association, liable 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 Sections 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 on date, the Board of Directors comprises of 8 Directors, of which 4 are Non-Executive. The Chairman is Executive and a Promoter of the Company. The number of Independent Directors is 4. The composition of the Board is in conformity with Clause 49 of the Listing Agreement. 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.

None of the Directors are related to any other Director on the Board in terms of the definition of "relative" given under the Companies Act, 1956.

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 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 31st March, 2011, the attendance record of the Directors at the Board Meetings held during the financial year ended on 31.03.2011 and the last Annual General Meeting (AGM), and the details of their other Directorships, and Committee Chairmanships and Memberships are given below:

Category	Name of Director	Position	Attendance at		No. of other Directorships and other Committee Membership(s) / Chairmanship(s)		
			Board Meetings	AGM held on 15th July, 2010	Other Directorships #	Committee Memberships ##	Committee Chairmanships ##
Executive	Mr. Sajjan Jindal	Chairman & Managing Director	7	Yes	7	-	-
	Mr. N. K. Jain	Vice Chairman	10	Yes	7	2	4
	Mr. Lalit Kumar Gupta	Jt. Managing Director and CEO	9	Yes	7	1	2
	Mr. S. S. Rao	Whole-time Director	8	Yes	-	-	-
Non-Executive Independent	Mr. P. Abraham	Director	9	Yes	13	3	1
	Mr. Chandan Bhattacharya	Director	10	Yes	5	3	1
	Mr. D. J. Balaji Rao	Director	7	Yes	9	3	4
	Mr. T. R. Bajalia	Nominee of IDBI Bank	9	Yes	-	-	-
Part of the year							
Non-Executive	Mr. J. K. Tandon*	Director	1	N.A	N.A	N.A	N.A

Notes:

1. During the Financial year 2010-11, ten Board Meetings were held and the gap between two meetings did not exceed four months. Board Meetings were held on 27th April, 2010; 27th May, 2010; 15th July, 2010; 23rd July, 2010; 01st November, 2010, 10th November, 2010, 22nd November, 2010; 20th January, 2011; 9th February, 2011 and 3rd March, 2011.

2. * upto 31.05.2010,

3. # Alternate Directorships and Directorships in private Companies, foreign Companies and Section 25 Companies are excluded.

4. ## Represents Memberships/Chairmanships of Audit Committee and Shareholders’/Investors’ Grievance Committee.

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 Chairman and Managing Director is assisted by the Executive Directors in overseeing the functional matters of the Company. The Board has constituted several Standing Committees, namely Audit Committee, Shareholders/Investors Grievance Committee, Remuneration Committee, Finance Committee, Risk Management Committee and ESOP Compensation 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:

(i) 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.

(ii) The meetings are usually held at the Company’s Registered Office at Jindal Mansion, 5-A, Dr. G. Deshmukh Marg, Mumbai – 400 026.

(iii) All divisions/departments of the Company are advised to schedule their work plans well in advance, particularly 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.

(iv) The Board is given presentations covering Outlook/ Economy, Company’s Financials, Sales, Production, Business Strategy, Subsidiary performance, the Risk Management practices etc. 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 meetings. 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 there under.

2.4 Changes in Board Composition

Name of the Director	Details of Change	Date of Change
Mr. J. K. Tandon	Resigned as Director	31 st May, 2010
Mr. S. S. Rao	Ceases to be Jt. MD and CEO but continues as Whole-time Director Appointed afresh as Whole-time Director	1 st June, 2010 1 st July, 2010
Mr. Lalit Kumar Gupta	Appointed as Additional Director and Whole-time Director and designated as Jt.MD and CEO	1 st June, 2010

3. AUDIT COMMITTEE:

The Audit Committee comprises of four Non-Executive Directors, all of whom are Independent Directors. Mr. Chandan Bhattacharya is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc.

The broad terms and reference of Audit Committee are to review the financial statements before submission to Board, to review reports of the Auditors and Internal Audit department and to review the weaknesses in internal controls, if any, reported by Internal and Statutory Auditors etc. In addition, the powers and role of the Audit Committee are as laid down under Clause 49 II C & D of the Listing Agreement entered with the Stock Exchanges and Section 292A of the Companies Act, 1956.

The Audit Committee met 5 times during the year under review on following dates: 27th April, 2010; 23rd July, 2010; 01st November, 2010; 20th January, 2011, and 28th March, 2011. The composition of Committee and details of the meeting attended by the Directors are as given below:

Name of Director	Category	No. of Meetings Attended
Mr. Chandan Bhattacharya	Non-Executive, Independent	5
Mr. D. J. Balaji Rao	Non-Executive, Independent	5
Mr. P. Abraham	Non-Executive, Independent	5
Mr. T. R. Bajalia*	Non-Executive, Independent, Nominee Director	3
Mr. J. K. Tandon**	Non-Executive, Non Independent	1

* appointed to be Member of the Committee w.e.f 27.05.2010

** ceased to be Member of the Committee w.e.f 27.05.2010

The Audit Committee invites such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. The CEO, CFO and head of Internal Audit attend the meetings. The Statutory Auditors are also invited to the meetings. Mr S. Madhavan, the Company Secretary, acts as the Secretary of the Committee.

4. REMUNERATION COMMITTEE:

The Remuneration Committee met twice during the year on 21st May, 2010 and 20th January, 2011. Mr. P. Abraham is the Chairman of Remuneration Committee. The Composition of Committee and details of the meeting attended by the Directors are as given below:

Name of Director	Category	No. of Meetings Attended
Mr. P. Abraham	Non-Executive, Independent	2
Mr D. J. Balaji Rao	Non-Executive, Independent	1
Mr. Chandan Bhattacharya*	Non-Executive, Independent	1
Mr. J. K. Tandon**	Non-Executive, Non Independent	1

* appointed to be Member of the Committee w.e.f 27.05.2010

** ceased to be Member of the Committee w.e.f 27.05.2010

The terms of reference of the 'Remuneration Committee' are as follows:

- 1) 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.
- 2) Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such 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 and the Industry Standards.

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

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

The Non-Executive Directors (NEDs), excluding the Directors belonging to JSW Group, are paid remuneration by way of Commission and Sitting Fees. In terms of the shareholders' approval obtained at the Annual General Meeting (AGM) held on 22nd September, 2008, the Commission is paid at a rate not exceeding 1% per annum of the net profits of the Company (computed in accordance with Section 309(5) of the Companies Act, 1956). The distribution of Commission amongst the NEDs, excluding the Directors belonging to JSW Group, is placed before the Board for approval.

The Commission payment for the year ended 31st March, 2011 amongst the aforesaid NEDs is proposed to be distributed broadly on the following basis:

1. Lumpsum Payment;
2. Number of meetings of the Board and Audit Committee attended;
3. Role and responsibility as Chairman/Member of the Board/Audit Committee.

During the year, the Company paid sitting fees of ₹ 20,000/- per meeting to the NEDs, excluding the Directors belonging to JSW Group, for attending meetings of the Board and Committee.

The Sitting Fees paid for attending the Board/Committee Meetings held during the year and Commission payable for F.Y 2010-11 is as under:

(Amount in ₹)

Name of the Non-Executive Director	Sitting Fees Paid	Commission Payable
Mr. C. Bhattacharya	4,20,000	6,25,000
Mr. D. J. Balaji Rao	2,60,000	4,90,000
Mr. P. Abraham	3,20,000	5,30,000
Mr. T. R. Bajalia*	2,40,000	5,10,000
Total	12,40,000	21,55,000

* Paid/Payable to IDBI Bank Limited which he represents.

4.2 Remuneration of Managing and Whole-time Directors:

The details in respect of remuneration paid/payable to the Managing Director and Whole-time Directors of the Company for the year is given below:

Name of Director	Category	Salary & Perks (₹ in crores)	Term	Notice Period
Mr. Sajjan Jindal	Chairman & Managing Director	6.03	5 years (till 31.12.2013)	N.A.
Mr. N. K. Jain	Whole-time Director	3.51	5 years (till 20.01.2015)	3 months from either side or salary in lieu thereof.
Mr. Lalit Kumar Gupta	Whole-time Director	2.06	5 years (till 31.05.2015)	3 months from either side or salary in lieu thereof.
Mr. S. S. Rao	Whole-time Director	1.50	5 years (till 30.06.2015)	1 month from either side or salary in lieu thereof.

Note: Salary includes Basic Salary, House Rent Allowance, Bonus, use of Company's Car, Furniture & Equipment and perquisites, the monetary value of which has been calculated in accordance with the provisions of the Income Tax Act, 1961 and Rules made thereunder but does not include Company's Contribution to Gratuity Fund.

Details of shares held:

The equity shares held by the Directors of the Company as on 31st March, 2011 is given below:

Name of Director	No. of Shares held
Mr. Sajjan Jindal	7,41,44,262
Mr. N. K. Jain	1,00,000
Mr. S. S. Rao	1,800
Mr. D. J. Balaji Rao	900
Mr. P. Abraham	3,000

5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

The Shareholders/Investors Grievance Committee comprises of 2 Executive Directors and 1 Non-Executive Independent Director.

Mr. Chandan Bhattacharya is the Chairman of the Committee.

The terms of reference of the committee are interalia as follows:

- (a) Review the reports submitted by the Registrars and Share Transfer Agents of the Company at quarterly/yearly intervals.
- (b) 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.
- (c) Follow-up on the implementation of suggestions for improvement, if any.
- (d) Periodically report to the Board about serious concerns, if any.

The Shareholders/Investors Grievance Committee met 4 times during the financial year 2010-11 on 26th April, 2010; 22nd July, 2010; 26th October, 2010 and 19th January, 2011. The composition of Committee and details of the meeting attended by the Directors are as given below:

Name of Director	Category	No. of Meetings Attended
Mr. Chandan Bhattacharya	Non-Executive, Independent	4
Mr. Lalit Kumar Gupta*	Executive	3
Mr. S. S. Rao	Executive	3
Mr. J. K. Tandon**	Non-Executive	1

*Appointed as Member of the Committee w.e.f. 01.06.2010.

**Ceased to be Member of the Committee w.e.f. 27.05.2010,

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

Address : The Enclave, Behind Marathe Udyog Bhavan,
New Prabhadevi Road, Prabhadevi,
Mumbai 400 025

Phone : 022-67838000

Fax : 022-24320740

E-mail : jswel.investor@jsw.in

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

Sr. No.	Description	Total	
		Received	Replied
1.	Letter received from Statutory bodies (SEBI/Stock Exchange)	17	17
2.	Letter received from Shareholders	405	405
	Total	422	422

6. OTHER COMMITTEES OF THE BOARD OF DIRECTORS:

In addition to the above referred Committees which are constituted pursuant to the Corporate Governance Code, the Board has constituted Finance Committee, Risk Management Committee, ESOP Compensation Committee of Directors to consider various business matters and delegated thereto powers and responsibilities with respect to specific purposes.

7. GENERAL MEETINGS:

A. Annual General Meetings:

The details of date, time and location of Annual General Meetings (AGM) held in last 3 years are as under:

AGM	Date	Time	Venue
16 th	15.07.2010	11.00 A.M.	Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai – 400 020
15 th	02.06.2009	11.00 A.M.	Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai-400 026
14 th	22.09.2008	11.00 A.M.	Jindal Mansion, 5A, Dr. G. Deshmukh Marg, Mumbai-400 026

Details of Special Resolutions passed in the previous three AGMs :

AGM	Particulars of Special Resolutions passed thereat
16 th	No Special Resolutions were passed at this AGM
15 th	No Special Resolutions were passed at this AGM
14 th	i) Change in place of keeping Registers and records ii) Commission to Non Executive Directors iii) Creation of Security on assets of the Company

B. Details of Special Resolutions Passed Through Postal Ballot during the Financial Year 2010-11 on 28th December 2010:

The Shareholders of the Company by way of Postal Ballot passed following Special Resolutions under the provisions of the Companies Act, 1956;

- Under Section 61 of the Companies Act, 1956, for variation/revision in the utilization of IPO Proceeds for the purposes other than those mentioned in the offer document dated 17th December, 2009.
- Under Section 81(1A) and SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999 for grant of option to the permanent employees including Directors of the Company whether wholetime or not under Employees Stock Option Scheme, 2010.
- Under Section 81(1A) and SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999 for grant of option to the permanent employees including Directors of the Subsidiaries whether wholetime or not under Employees Stock Option Scheme, 2010.

Mr. I. Qureshi, Chartered Accountant, Mumbai, appointed as a scrutinizer, after due scrutiny of all the postal ballot forms received upto close of working hours (17.30 Hrs.) on Monday, 27th December, 2010, had submitted his report on the postal ballot and the Special Resolutions as proposed were declared as passed on 28th December, 2010.

None of the business required to be transacted at the 17th AGM require passing of special resolution through postal ballot.

8. DISCLOSURES:

- There were no materially significant related party transactions i.e. transaction of the Company of material nature with its Promoters, Directors or the Management, their Subsidiaries or relatives etc. that conflict with the interests of the Company.
- 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.
- The Company had during the financial year 2009-10 made initial public offering (IPO) of Shares of ₹ 10 each at a premium aggregating ₹ 2,700 Crores. The Company sought the approval of the Shareholders of the Company through Postal Ballot for variation/revision in the utilization of IPO Proceeds for the purposes other than those stated in the offer document.
- All mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.
- The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.
- In terms of Clause 49(V) of the Listing Agreement, the Managing Director, the Jt.MD and CEO and the Chief Financial Officer made a certification to the Board of Directors in the prescribed format for the year under review

which has been reviewed by the Audit Committee and taken on record by the Board.

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 to report any suspected violations promptly and intends to investigate any good faith reports of violations. The WBP specifies the procedure and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the Code 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. The Company affirms that no employee has been denied access to the Ethics Counsellor / 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 at times nominates its representatives on the Boards of subsidiary Companies and monitors the performance of such Companies, inter alia, by the following means:

- A copy of the Minutes of the Meetings of the Board of Directors of the Subsidiary Companies is tabled before the Company's Board on quarterly basis.
- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary Companies is placed before the Company's Board.
- Quarterly compliance reports issued by Director-in-charge/Finance and Accounts head/Company Secretary/HR head are tabled before the Company's Board on quarterly basis.
- Financial Results are also tabled before the Company's Board on quarterly basis.

11. MEANS OF COMMUNICATION:

- Quarterly/Annual Results:** The Quarterly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.
- News Releases:** The Quarterly 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, atleast in one English newspaper circulating in the whole or substantially the whole of India and in one Vernacular newspaper of the State where the Registered Office of the Company is situated.

The Annual Financial Results for Year ended 31st March, 2010 were published as detailed below:

FY 2009-10	Date of Board Meeting	Date of Publication	Name of Newspaper	Language
Annual Financial Results	27.04.2010	28.04.2010	*Business Line	English
			*Business Standard	English
			Financial Express	English
			Navshakti	Marathi

*only highlights were published.

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

FY 2010-11	Date of Board Meeting	Date of Publication	Name of Newspaper	Language
First Quarter	23.07.2010	24.07.2010	*Business Line	English
			*Business Standard	English
			Financial Express	English
			*Mint	English
			Navshakti	Marathi
			*Economic Times	English/Gujarati
Second Quarter	01.11.2010	02.11.2010	*Business Line	English
			*Business Standard	English
			Financial Express	English
			*Mint	English
			Navshakti	Marathi
			*Economic Times	English/Gujarati
Third Quarter	20.01.2011	21.01.2011	Financial Express	English
			Navshakti	Marathi

*only highlights were published.

- Website:** The Company's website www.jsw.in contains a separate dedicated section "Investor Relations" where latest shareholders information is available. The Quarterly and Annual Results are simultaneously posted on the website. Comprehensive information about the Company, its business and operations, Press Releases and Investor information can be viewed at the Company's website www.jsw.in.
- Presentations to Analysts:** The Company's shares are listed in both Bombay Stock Exchange Limited and National Stock Exchange of India Limited. During the Financial year, five presentations were made to analysts on 23.07.2010, 10.10.2010, 01.11.2010, 20.01.2011 and 24.02.2011, the same are available on the Company's website. The presentations broadly covered operations, financials and industry outlook.
- 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. The Annual Report is also available on the Company's website.

- (vi) Chairman's Communique: Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meeting. The same is also placed on the website of the Company.

12. GENERAL SHAREHOLDERS INFORMATION:

12.1 Annual General Meeting

Date and Time : Thursday, 21st July, 2011 at 03.00 p.m.

Venue : Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai-400 020

Dates of Book Closure : Saturday, 18th June, 2011 to Tuesday, 28th June, 2011 (both days inclusive)

Dividend Announcement : The Board of Directors of the Company has recommended a dividend of 10% (₹ 1.00) per share) on the equity share of the face value of ₹ 10 each for the year ended 31st March, 2011, subject to approval by the shareholders of the Company at the forthcoming Annual General Meeting.

Date of Dividend Payment : 27th July, 2011

Dividend Eligibility : The dividend on equity shares of the Company as recommended by the Board of Directors of the Company, upon declaration by the shareholders at the forthcoming Annual General Meeting, will be paid as under:

- To all those beneficial owners in respect of the shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on Friday, 17th June, 2011; and
- To all those shareholders as at the close of business hours on Friday, 17th June, 2011 in respect of the shares held in physical form (after giving effect to the valid transfers in respect of the shares lodged with the Company on or before the close of business hours on Friday, 17th June, 2011).

12.2 Financial Calendar 2011-12 (tentative):

First quarterly results	July, 2011
Second quarterly results	October, 2011
Third quarterly results	January, 2012
Annual results for the year-2011-12	April/May 2012

12.3 Listing on Stock Exchanges and Stock Codes:

The Company's Equity Shares are listed on the following Stock Exchanges in India:

Name	Address	Stock Code
Bombay Stock Exchange Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	533148
National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra-Kurla Complex, Bandra East, Mumbai-400 051	JSWENERGY-EQ

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

ISIN for Equity Shares & Privately Placed Non Convertible Debentures

Equity	INE121E01018
Privately placed Debentures (listed)	INE121E07080 - 9.75 % NCDs of ₹ 10 Lakhs each
	INE121E07114 - 9.75 % NCDs of ₹ 10 Lakhs each
	INE121E07098 - 9.75 % NCDs of ₹ 10 Lakhs each
	INE121E07106 - 9.75 % NCDs of ₹ 10 Lakhs each
	INE121E07122 - 9.00 % of NCDs of ₹ 10 Lakhs each
	INE121E07130 - 9.05 % of NCDs of ₹ 10 Lakhs each
	INE121E07148 - 9.10 % of NCDs of ₹ 10 Lakhs each
	INE121E07155 - 9.20 % of NCDs of ₹ 10 Lakhs each
	INE121E07163 - 9.30 % of NCDs of ₹ 10 Lakhs each
	INE121E07171 - 9.40 % of NCDs of ₹ 10 Lakhs each
	INE121E07189 - 9.50 % of NCDs of ₹ 10 Lakhs each
	INE121E07197 - 9.60 % of NCDs of ₹ 10 Lakhs each
	INE121E07205 - 9.70 % of NCDs of ₹ 10 Lakhs each
	INE121E07213 - 9.75 % of NCDs of ₹ 10 Lakhs each
	INE121E07221 - 9.60 % of NCDs of ₹ 10 Lakhs each
	INE121E07239 - 9.60 % of NCDs of ₹ 10 Lakhs each
	INE121E07247 - 9.60 % of NCDs of ₹ 10 Lakhs each
	INE121E07254 - 9.60 % of NCDs of ₹ 10 Lakhs each
	INE121E07262 - 9.60 % of NCDs of ₹ 10 Lakhs each
	INE121E07270 - 9.75 % of NCDs of ₹ 10 Lakhs each
INE121E07288 - 9.75 % of NCDs of ₹ 10 Lakhs each	
INE121E07296 - 9.75 % of NCDs of ₹ 10 Lakhs each	
INE121E07304 - 9.75 % of NCDs of ₹ 10 Lakhs each	
INE121E07312 - 9.75 % of NCDs of ₹ 10 Lakhs each	

Debenture Trustee:

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

12.4 Market Price Data:

The monthly high/low market price of the Company's shares during the year 2010-11 at the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) are as under:

(in ₹ per share)

Month	BSE		NSE	
	High	Low	High	Low
Apr 2010	126.80	112.65	130.00	112.30
May 2010	131.50	112.05	131.50	112.00
Jun 2010	132.90	115.30	133.00	115.30
Jul 2010	132.80	122.55	132.20	122.50
Aug 2010	133.30	123.25	133.35	123.40
Sep 2010	136.30	118.05	136.30	118.00
Oct 2010	126.35	116.60	126.60	116.50
Nov 2010	127.70	94.85	128.00	94.60
Dec 2010	105.65	93.50	105.50	76.85
Jan 2011	101.65	80.00	101.85	67.25
Feb 2011	82.25	68.55	82.40	68.25
Mar 2011	76.15	70.40	76.25	68.15

12.5 Registrar & Share Transfer Agents:

Karvy Computershare Private Limited (KARVY)
Unit: JSW Energy Limited
Plot No. 17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad - 500 081
Ph. Nos: 040 – 44655131/133/177, Fax No. 040 - 23420814
E-mail: einward.ris@karvy.com
Website: www.karvy.com

12.6 Share Transfer System:

Share Transfers 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 Shareholders/Investor Grievance Committee. The decisions of Shareholders's/Investor Grievance Committee are placed at every Board Meeting. The Company obtains from a Company Secretary in Practice half yearly certificate

of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchange and files a copy of the certificate with the Stock Exchanges.

12.7 Distribution of Shareholding:

The distribution of shareholding as on 31st March, 2011 is given below:

Sr. No	No. of Equity Shares	No. of Shareholders	No. of Shares held	% of Total shares
1.	1 - 5000	150420	47274953	2.88
2.	5001 - 10000	732	5470925	0.33
3.	10001 - 20000	355	5105079	0.31
4.	20001 - 30000	127	3166302	0.19
5.	30001 - 40000	57	1996286	0.12
6.	40001 - 50000	48	2226172	0.14
7.	50001 - 100000	81	6160481	0.38
8.	100001 & Above	150	1568654597	95.65
	TOTAL	151970	1640054795	100.00%

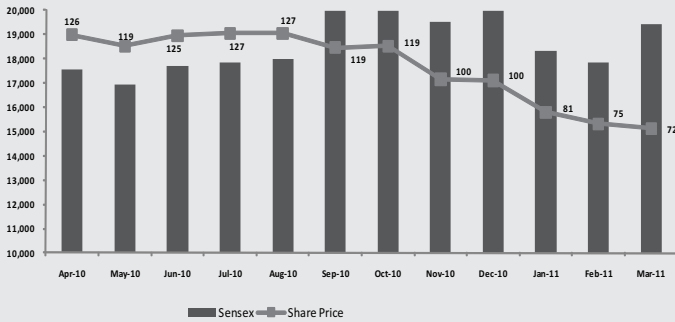
12.8 Geographical Distribution of Shareholders as on 31.03.2011:

Sr. No	Name of the City	Electronic			Physical		Total		
		No. of Shareholders	No. of Shares	% of total Shareholding	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	% of total Shareholding
1	Mumbai	23699	1473301768	89.83	2	103	23701	1473301871	89.83
2	New Delhi	10053	10211975	0.62	0	0	10053	10211975	0.62
3	Ahmedabad	6570	3016744	0.18	0	0	6570	3016744	0.18
4	Calcutta	7106	5960407	0.36	2	300	7108	5960707	0.36
5	Bangalore	5726	3592789	0.22	0	0	5726	3592789	0.22
6	Chennai	4861	2153307	0.13	0	0	4861	2153307	0.13
7	Pune	3464	1317621	0.08	0	0	3464	1317621	0.08
8	Hyderabad	3654	2248912	0.14	0	0	3654	2248912	0.14
9	Vadodara	2942	897828	0.06	0	0	2942	897828	0.06
10	Others	83885	137349811	8.37	6	3230	83891	137353041	8.38
	TOTAL :	151960	1640051162	99.999	10	3633	151970	1640054795	100.00

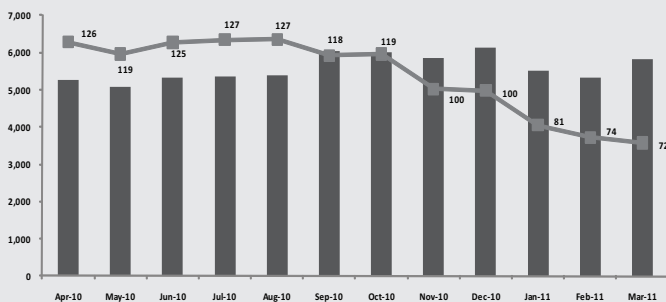
12.9 Shareholding pattern:

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/Promoters Group	26	1258271544	76.72	26	1258271544	76.72
NRI	1821	2713023	0.17	959	968925	0.06
FII	49	64580356	3.94	32	79396059	4.84
FBC	2	108198047	6.60	2	108198047	6.60
IFI	13	91951523	5.61	14	100467126	6.13
IMF	6	2587774	0.16	20	17839645	1.09
Banks	6	2878643	0.18	6	5407030	0.33
Bodies Corporate	1848	27730658	1.69	1257	24718830	1.51
Public	144570	75912665	4.63	85667	35252920	2.15
Trust	6	17200	0.00	6	6320000	0.39
HUF	3623	5213362	0.32	1711	3214669	0.20
Total	151970	1640054795	100.00	89700	1640054795	100.00

12.10 Performance of Share Price in comparison to BSE Sensex:



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



12.12 Top 10 Shareholders as on 31.03.2011:

SI No.	Name of the Shareholder(s)	No. of Shares	% of Total Shareholding
1	JSW Investments Private Limited	536201147	32.69
2	Sun Investments Private Limited	270892170	16.52
3	Vrindavan Services Private Limited	110146190	6.72
4	Life Insurance Corporation Of India	80475310	4.91
5	JSW Steel Limited	77980500	4.75
6	Sajjan Jindal	74144262	4.52
7	Sangita Jindal	64938125	3.96
8	Steel Traders Limited	59372000	3.62
9	Indus Capital Group Limited	48826047	2.98
10	Gagan Trading Company Limited	46959910	2.86

12.13 Dematerialisation of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialised form. The Company has arrangements with National Securities Depository Limited and Central Depository Services (India) Limited for demat facility.

As on 31.03.2011

Particulars of Shares	Equity Shares of ₹ 10 each		Shareholders	
	Number	% of total	Number	% of total
Dematerialised form				
NSDL	1615850633	98.52	99366	65.38
CDSL	24200529	1.48	52594	34.61
Sub Total	1640051162	100.00	151960	99.99
Physical form	3633	negligible	10	0.01
Total	1640054795	100.00	151970	100.00

12.14 Register NECS Mandate and furnish correct bank account particulars with Company / Depository Participant (DP)

Investors holding the shares in physical form should provide the National Electronic Clearing Service (NECS) mandate to the Company and investors holding the shares in electronic form should ensure that correct and updated particulars of their bank account are available with the Depository Participant (DP). This would facilitate in receiving dividend payment through electronic mode from Company and avoid postal delays and loss in transit. Investor must update the new bank account number allotted after implementation of Core Banking Solution (CBS) to the Company's Registrar i.e. Karvy Computershare Private Limited, in case of shares held in physical form and to the DP in case of shares held in electronic form.

12.15 Green Initiative for Paperless Communications:

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the recent circular bearing no.17/2011 dated 21.04.2011 issued by the Ministry of Corporate Affairs (MCA), Companies can now send various notices/ documents to their shareholders through electronic mode to the registered e-mail addresses of the shareholders.

This is a golden opportunity for every shareholder of the Company to contribute to the Corporate Social Responsibility initiative of the Company.

As per the said MCA circular, the Company will forward the communication/letter to Equity shareholders after providing advance opportunity to register their e-mail address with the Company or Depository Participant and changes therein from time to time.

Equity Shareholders holding shares in physical form can avail the said facility to enable the Company to send the notice/ documents through electronic mode. They should download the form from the Company's website (www.jsw.in) and forward the same to Company's Registrar i.e. Karvy Computershare Private Limited, Unit: JSW Energy Limited, Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081, Fax No. 040 - 23420814. The Shareholders holding shares in demat mode can register their e-mail address/change their email

address with their Depository Participant, in the event they have not done so earlier for receiving notices/documents through Electronic mode.

12.16 Outstanding GDRs / ADRs or Warrants or any Convertible Instrument, conversion dates and likely impact on equity:

NIL

12.17 Registered Office:

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

12.18 Plant Locations:

Vijayanagar Plant : Post Box No. 9, Toranagallu,
District Bellary – 583 123, Karnataka

Ratanagiri Plant : Village Nandiwade, Post Jaigad, Taluka
& District Ratnagiri - 415 614, Maharashtra

Kuther Hydro project (under development/implementation):
Village & PO Garola, Tehsil Bharmour,
District Chamba-176 309, Himachal Pradesh.

12.19 Address for Investor Correspondence:

A. For Retail Investors

i) Registrar & Share Transfer Agents

Karvy Computershare Private Limited
Unit: JSW Energy Limited
Plot No.17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad - 500 081
Ph. Nos.: 040 – 44655131/133/177,
Fax No. 040 - 23420814
E-mail: einward.ris@karvy.com
Website: www.karvy.com

ii) Securities held in Demat form

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

iii) JSW Energy Limited-Investor Relation Centre

The Enclave, Behind Marathe Udyog Bhavan,
New Prabhadevi Road, Prabhadevi,
Mumbai-400 025
Tel. No. 022-67838000
Fax. No. 022-24320740
E-mail: jswel.investor@jsw.in
Website: www.jsw.in

B. For Institutional Investors

Mr. Pramod Menon
Chief Financial Officer
The Enclave, Behind Marathe Udyog Bhavan,
New Prabhadevi Road, Prabhadevi,
Mumbai-400 025
Tel. No. 022-67838000
Fax. No. 022-24320740

C. Designated exclusive e-mail id for Investor servicing:

jswel.investor@jsw.in

D. Toll Free Number of R & T Agent's (KARVY) exclusive call centre:

1-800-3454001

E. 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 give the 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 as detailed below has been adopted pursuant to clause 49 (D) of the Listing Agreement & the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (as amended), respectively:

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 09th May, 2008. The Code highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

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 standard 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.

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.

b. Reconciliation of Share Capital Audit Report:

Share Capital Audit Report in terms of SEBI directive vide its circular CIR/MRD/DP/30/2010 dated 6th September, 2010,

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 dematerialised shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is submitted to the Stock Exchanges where the shares of the Company are listed.

c. Code of Conduct for Prevention of Insider Trading:

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

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.

e. Legal Compliance of the Company's Subsidiaries:

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

14. OTHER SHAREHOLDER INFORMATION:

a. Corporate Identity Number (CIN):

The CIN allotted to the Company by the Ministry of Corporate Affairs, Government of India is L74999MH1994PLC077041.

b. Shares held in electronic form:

Members holding shares in electronic form may please note that:

- i. Instructions regarding bank details which they wish to have incorporated in dividend warrants must be submitted to their Depository Participants (DPs). As per the regulations of NSDL and CDSL, the Company is obliged to print bank details on the dividend warrants, as furnished by these Depositories to the Company.
- ii. Instructions already given by them for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.
- iii. Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.
- iv. The Company provides NECS facilities for shares held in electronic form and Members are urged to avail of this facility.

14.1 Depository Services:

Members may write to the respective Depository or to Karvy for guidance on depository services.

National Securities Depository Limited	Central Depository Services (India) Limited
Trade World, 4th Floor	Phiroze Jeejeebhoy Towers
Kamala Mills Compound	17th Floor, Dalal Street
Senapati Bapat Marg, Lower Parel	Mumbai 400 023
Mumbai 400 013	Tel : 022-2272 3333
Tel : 022-2499 4200	Fax : 022-2272 3199
Fax : 022-2497 6351	E-mail : investor@cDSLindia.com
E-mail : info@nsdl.co.in	Website : www.cdslindia.com
Website : www.nsdl.co.in	

14.2 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 Companys' Registrar, KARVY Computershare Private Limited. Members holding shares in electronic form are requested to give the nomination request to their respective DPs directly.

Form No. 2B can be obtained from Companys' Registrar KARVY Computershare Private Limited or downloaded from the Company's website www.jsw.in under the section 'Shareholder Information'.

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, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for year ended 31.03.2011.

For JSW Energy Limited

Place: Mumbai
Date : 28th April, 2011

Lalit Kumar Gupta
Jt. Managing Director and CEO