

MINUTES OF THE FOURTEENTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF JSW STEEL LIMITED HELD ON MONDAY, 16TH JUNE, 2008 AT 11.00 A.M AT BIRLA MATUSHRI SABHAGAR, 19, NEW MARINE LINES, MUMBAI – 400 020:

DIRECTORS PRESENT:

DR. S.K.GUPTA	DIRECTOR
MR. Y.SIVA SAGAR RAO	JT. MD & CEO
MR. SESHAGIRI RAO M.V.S	DIRECTOR (FINANCE)
MR. ANTHONY PAUL PEDDAR	DIRECTOR
MR.UDAY CHITALE	DIRECTOR & CHAIRMAN OF AUDIT COMMITTEE.
MR. SUDIPTO SARKAR	DIRECTOR
MR. BISWADIP GUPTA	DIRECTOR
MR. NAGESH PINGE	DIRECTOR

IN ATTENDANCE:

MR. M.A.VENKATESHAN	SR. VP (FINANCE & ACCOUNTS)
MR. RAJEEV PAI	VP (ACCOUNTS & FINANCE)
MR. SANTOSH MAHESHWARI	VP (FINANCE)
MR. LANCY VARGHESE	COMPANY SECRETARY

SHAREHOLDERS PRESENT:

324 Shareholders present in person and 91 shareholders represented by Proxy.

1. APPOINTMENT OF CHAIRMAN:

In the absence of Mrs. Savitri Devi Jindal, Chairperson and Mr. Sajjan Jindal, Vice Chairman & Managing Director of the Company, Dr. S.K.Gupta was elected to chair the meeting pursuant to the provisions of Article 93 of Articles of Association.

2. WELCOME ADDRESS AND INTRODUCTION OF BOARD OF DIRECTORS:

Mr. Lancy Varghese, Company Secretary, on behalf of the Company, extended a warm welcome to the Shareholders, Members of the Board, Employees, Representatives of Bodies Corporate, Institutional Investors, Analysts & Members of the Press.

He also briefly introduced the Directors present on the dais.

3. CONFIRMATION OF QUORUM:

Dr. S.K.Gupta, Chairman of the meeting announced that the quorum for the meeting was present and called the meeting to order. He informed that the representatives of 44 Bodies Corporate holding 44.08% in the Company's paid-up equity share capital, aggregating to Rs. 82.45 Crores were present and that the Company has received 104 proxies, of which 92 are valid. He further informed that all the

Statutory Registers required to be placed before the meeting, were available for inspection by the members.

4. NOTICE CONVENING THE MEETING:

With the permission of the members, the notice convening the meeting was taken as read.

5. CHAIRMAN'S ADDRESS:

Dr.S.K.Gupta, then read out the Chairman's Speech which was circulated to the shareholders present in the meeting.

6. CORPORATE FILM:

Following the Chairman's Address, a Short Corporate film titled "**JSW - Josh of a billion dreams**" was shown to the Shareholders.

The Chairman then proceeded with the formal business of the meeting.

ORDINARY BUSINESS:

7. ADOPTION OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2008 ALONG WITH THE AUDITORS' REPORT AND DIRECTORS' REPORT:

The Chairman requested the shareholders to consider and adopt the Audited Balance Sheet as at 31st March, 2008, the Profit and Loss Account for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.

He then moved the following resolution:

"RESOLVED THAT the Audited Balance Sheet as at 31st March, 2008, the Profit and Loss Account for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon, be and are hereby considered and adopted".

The Chairman then requested Mr. Lancy Varghese, Company Secretary to read out the Auditors' Report. During the reading of the Auditors' Report by Mr. Lancy Varghese, the Chairman at the request of Shareholders, allowed the Auditors' Report, having been already circulated to be taken as read.

The Chairman invited the shareholders to raise their queries, if any, on the accounts and the working of the Company, with a request to the members to be brief in their queries and comments that they may have and to limit their time to 5 minutes and to avoid repetition of questions so as to provide an opportunity to all the members who desire to speak.

The following observations/queries were made/raised by the members:

- (1) Mrs. Ashalata Maheshwari, expressed her regret over the absence of Mr. Sajjan Jindal, Vice Chairman & Managing Director, for the meeting. She appreciated the Company's

rapid growth & progress year after year, the Articulates & Awards the Company has won, the increase in market cap & opined that the Company has made its presence felt strongly in the global Value added steel segment by virtue of its UK & US acquisitions.

She thanked the Company for having increased the Dividend from 125% last year to 140% this year but felt that it ought to have been around 200% considering the high EPS. She said that as she has been doing in the past, she is once again making her request to look into a bonus issue of equity shares. She also wanted the Company to come out with a Right's issue. She appreciated the services of the Company's R & T Agent- Karvy Computershare Pvt. Limited and the Secretarial Department.

She raised the following Queries:

- Earnings in Foreign Currency have decreased despite the sale of Carbon Credits to the tune of Rs.111.11 Crores. What are the prospects of growth in the current year?
- What is the Company's Outlook on increase in Global demand for steel?
- In the current scenario where crude oil prices have increased, inflation is in double figures-what will be the impact of the measures taken by the Govt. to curb Steel Price rise, on the Company's turnover & profitability?
- What will be the impact on export earnings due to the rupee depreciation?
- What is the Company's Market share in the Domestic Market for HR Coils & long products segment?
- What is the Company's total capital expenditure outlay & how much of it is towards inorganic & organic growth, keeping in view the Company's plans to invest around Rs.14,000 crores by 2010?
- The Domestic turnover has gone up but export turnover has come down on account of Dollar Depreciation. What will be the scenario in the current Year and which is more profitable at present-Domestic or Export Sales?
- What will be the impact on the Company's Raw Material Cost on account of the acquisition of Mines?
- What are the reasons for lower returns on capital employed and return on net profit?

She concluded by saying that she strongly supported all the resolutions put up.

- (2) Mrs. Homa Pouredehi thanked the Company Secretary for introducing the Directors on the Dias and stated that this should be done every year. She also appreciated the CSR initiatives taken by the Company and the corporate film shown, through which she came to know about the Company's women empowerment efforts. She also appreciated the font size used in the printing of the Annual Report making it easily legible and suggested that a picture of the Company's plant

could be given on the back of the cover page instead of keeping it blank. She sought the view of the Company on the "Rise in Steel Prices".

- (3) Mrs. Sobhana Mehta welcomed Dr. S.K.Gupta as Chairman of the meeting and hoped that the Chairperson, Mrs. Savitri Devi Jindal will be able to make it for the next AGM atleast. She also conveyed her good wishes to Mr.Sajjan Jindal, Vice Chairman & Managing Director and stated that she missed them both for the meeting. She has also said that she did not receive a copy of the Balance Sheet which was sent by courier and requested the Company to adopt the practice of sending an additional copy by post also atleast to regular attendees at AGMs of the Company. She appreciated the excellent presentation of the Annual Report and congratulated the Company Secretary & the Secretarial department for the same. She stated that it is a matter of Pride that the Company is today regarded as the second largest Steel Company in the Private Sector and is ranked as ninth among the top 30 world class Steel Makers in the world. She thanked the Company for the merger of Southern Iron & Steel Limited which turned out to be successful & beneficial. She also appreciated the highlights given on page 4 which she felt helps the shareholders to understand the Balance Sheet by just looking at this one page. While appreciating the higher percentage of Dividend declared this year, she requested to consider a Bonus issue of shares. She appreciated the time devoted by Mrs. Sangita Jindal for CSR Activities.

She raised the following Queries:

- What is the Cost of printing the Annual Report & the No. of copies printed?
- What is the Expected turnover & Capex outlay for 2008-09?

- (4) Mr. Beruz Feramroz, requested that the analysts meet be held every quarter as the last analysts meet which he attended was very informative. He requested that the date since when the appeals in respect of the statutory dues listed out on pages 54 & 55 have been pending be mentioned. He further requested the Company to consider a Bonus issue in view of the huge reserves.

He had the following queries:

- Why two lady directors of the Company were not present?
- What is the reason behind having so many subsidiaries in other countries?
- What is the reason for increase in Inventories, Advances & Liabilities?
- Domestic turnover has gone up but simultaneously export turnover has come down-what are the reasons for the same?

- Whether India will be self sufficient in steel by 2012 as stated by the Minister for Steel, Chemicals and Fertilisers- Mr Ram Vilas Paswan to the media?
 - India's Global position in steel - is it 12th & behind China?
- (5) Mr. Arvind J. Vyas, congratulated the Company for its excellent performance. He opined that New Projects, Expansion plans, Associate & Subsidiary Companies details should be provided in the Annual Report in a tabular form. He requested for a Factory visit.

He raised the following Queries:

- As the Company claims to be one of the Lowest Conversion Cost Steel producers in the world, by what percentage is the cost lower than other steel producers?
 - Impact of US sub-prime on the Company?
 - Impact of the corresponding increase in interest rates on account of the increase in CRR/Repo Rate by RBI?
 - Impact on the Company due to the restrictions on Export of Steel & Pricing imposed by the Govt. of India without any corresponding reduction in Duties?
 - % of increase of input costs?
 - Company's plans to reduce its increasing Debt burden?
 - What steps have been taken to improve the Foreign Exchange earnings?
 - Why is the Consumption of Power per unit of production shown in Form 'A' higher than standard?
 - How much has the Company produced for the automobile sector, who are the customers and what is the profitability & turnover from this segment?
 - Whether the Company has plans to bring in Iron Ore from the newly acquired mines in Chile to India or will it be cheaper to utilise Iron Ore from India itself?
 - What is the capacity of the US plants purchased by the Company? What is the cost of this acquisition? Whether this acquisition cost has been met by debt or internal accruals? What is the expected Turnover & Profitability?
 - What is the proposed capacity of Jharkhand Project? Whether the Company will be able to face competition in this area as all major players like TATA, POSCO etc., are putting up projects in this region?
 - Whether the Company has plans for more acquisitions in other parts of the country and the world?
- (6) Mr. H.V. Sanghavi, appreciated the excellent performance of the Company and hoped that it will be even better in the coming years. He also complimented the Company Secretary for the timely despatch of the Balance Sheet and requested the management to consider a rights issue at par. He wanted to know whether the Company is importing anything in the form of Machinery, Coal, Chemicals etc.?
- (7) Mr. H.T.Vora, congratulated the Management for the excellent performance and for the excellent Annual report, especially

the Management Discussion & Analysis highlighting the Role of China. He also requested for a plant visit.

He raised the following Queries:

- Will the increase in raw material cost & the Government's intervention in pricing have an impact on the results for the current year and the next?
 - What percentage of the Company's requirements of iron ore & other key raw materials are met by Captive Resources?
 - After completion of the Company's expansion plans what will be its ranking amongst steel producers in the country?
 - What will be the Debt Equity Ratio after Future Expansions? Whether the Company will raise resources from the Shareholders or from internal accruals or by way of debt? What will be the Promoter's share after completion of expansion projects?
 - Whether there is any reduction in the FII holding at present as compared to 31.03.2008?
- (8) Mr. S.C.Vashney, congratulated the management for the Good performance of the Company despite odds from various quarters including the Govt. He opined that the Company has distributed dividend of Rs.262 crores out of its other income of Rs.257 crores and that distribution of Dividend from out of its manufacturing Income would have given a better picture to investors.

He raised the following queries:

- Whether the Directors who have not attended the AGM are taking interest in the Board meetings and the deliberations?
 - What is the reason for the decline in the EBIDTA Margin in comparison with the previous years?
 - What will be the scenario as regards Steel Pricing after the expiry of the three month period during which the Steel companies inspite of steep increase in input costs have agreed to hold back any price increase?
 - What will be the impact of the Government's measures to curb rise in steel prices, at the end of the Financial Year?
 - Since the Company is planning to invest over Rs.14,000 crores in the next couple of years, what precautions have been taken by the Company to control the Debt Equity Ratio?
 - The 300MW captive power plant that is being set up is coal based or crude oil based?
 - Why the consumption of power per unit of production higher for Galvanised CR Coils than last year?
- (9) Mr. Hariram Chaudhary, congratulated Mr. Sajjan Jindal on his election as President of Assocham. He appreciated the CSR

initiatives and the steps taken by the Company against Global Warming and for involving Mr. Al Gore. He also informed that there is a website named www.karmayog.org where CSR ratings of India's 500 largest Companies have been given and wished that the Company would be one among the Top 10 spenders on CSR activities. He opined that in view of the increase in net profits by 34%, the dividend should have been higher than 140%. He also requested the Company to come out with a bonus issue in view of the huge reserves and also to arrange for a factory visit.

- (10) Mr.Dinesh V. Lakhani stated that Mr. Sajjan Jindal who chaired the last AGM & the EGM held on 28.12.2007 had promised some things on some of the issues he had raised but since he was not present he would take up these issues on another occasion. He opined that the reading of the Auditor's Report completely is a statutory requirement and that the same cannot be taken as read even at the request of the Shareholders. He also pointed out that in the Chairman's Speech the statement that EBIDTA has increased is a misleading statement, so also the statement made by the Chairman that EBIDTA Margin has come down by 7% for the year under review and referred to the Annual report which clearly states that the EBIDTA Margin which was 33.59% last year has gone down to 30.93% that is down by 2.66%.

Mr.Lakhani presented an analysis of the Company's turnover. He pointed out that 50% increase in local market was due to the buoyancy in Steel prices, Exports have remained stagnant, Company's rise in profits has been aided by substantial rise in other Income & Sale of Carbon Credits.

He further pointed out that the Dividend payout ratio including Dividend tax has gone down from 18% in comparison to 18.5% last year, even though there has been additional income over and above the income from operations and that the Company should have declared higher dividend in such cases. He stated that like other Companies whenever there is any special one time income like carbon credits etc., other Companies consider giving a special dividend.

Mr.Lakhani referring to the graph on Share Prices Vs BSE Index, suggested that Share Price should actually be quantified to show by what %age the Company's share price has outperformed/Underperformed the BSE index which will be a more clear indication than just the Graph. He has also suggested that previous years holdings should be given side by side the current years in the Shareholding pattern given on page 51 of the Annual Report.

He sought clarifications/replies on the following points:

- Whether the Board of Directors has passed any resolution appointing Dr.Gupta as the Chairman for the meeting?

- What was the compelling reason that Mr. Jindal could not attend the AGM?
- Whether the Company is going to overtake Tata Steel also, to become the No.1 Steel Company in the private sector as stated by the Chairman, if so by what year?
- Debt has increased substantially by Rs.3,274 crores, that is, from Rs.4,173 crores to Rs.7,447 crores? How is that the additional interest burden is only Rs. 40.00 crores?
- Loans & Advances have gone up from Rs. 542.83 crores to Rs. 842.15 crores:
 - To whom these loans & advances have been given?
 - On what terms?
 - Has the Company been charging & recovering proper interest for the Loan & Advances given?
 - How much of these Loan & Advances have been given to subsidiaries/ Associate Companies?
 - What will be the impact of Outstanding ESOP on the Balance sheet of the Company when IFRS comes into force w.e.f 1st April 2011, which requires the Company to value ESOPs at fair value?
- What has been the increase in the promoter's stake after the merger of SISCOL with the Company?
- How many FCCBs issued by the Company have been converted and how many are outstanding?
- Auditors Report Para (f) – Treatment of Amalgamation Reserve - Whether the Scheme of Amalgamation prevails over the prescribed accounting standards?
- Whether Company has made any provision for the long list of Contingent Liabilities given on page 54? Why these have been kept over? Whether any Legal opinion has been obtained that none of these will result in actual liability?
- Sundry Debtors – Page 64- Provision for Doubtful debts of Rs.17.27 crores & Rs. 2.80 crores.
 - Why these have been shown as two separate items & not as Total doubtful debts?
 - Who are the parties from whom this substantial amount has to be recovered?
 - Whether proper procedure has been followed in making the provision for doubtful debts?
 - Whether the company has tried to recover this amount?
- Doubtful Advances & Loans – Page No. 65
 - Provision for doubtful advances - Rs.16.92 crores , last year Rs.16.06 crores.
 - Provision for doubtful loans - Rs.9.10 crores, last year also Rs.9.10 crores

- What is this persistent figure of Rs.9.10 crores that has been coming over the years?
- Since how long these are pending?
- Who are the parties to whom these advances & loans have been given? Who have defaulted?
- What is the total outstanding amount if interest & other factors are considered?

Mr.Lakhani concluded with a request for the Balance sheet of all the subsidiary Companies.

- (11) Mr. H.L. Savani, complained of having received the Annual report without the address label struck on it. He suggested that the Folio Nos. & Name should also be printed on the admission slip so that no other shareholder can register at the entrance using somebody else's Admission slip. He opined that the Dividend was low when compared to the EPS. He suggested that the Company, if it plans to come out with a rights issue, should do the same by coming out with a Rights Cum Debenture Issue.

He wanted to know:

- To whom the Donations of Rs. 16.64 crores referred on page 88 of the Annual Report have been paid?
- What is the value of the investments made in Mutual funds (referred to on page 64) as on June 2008 as compared to March 2008?
- How much loss has the Company incurred by having agreed to hold on to steel prices without any further rise for three months?
- How is the Company going to fund its proposed investments of upto Rs.14,000 crores by 2010?

- (12) Mr. N.V. Jhaveri requested that the AGMs be held in the afternoons as per the practice followed by most Companies in Mumbai. He has expressed his unhappiness with the dividend payout policy of less than 20% and felt that it should have been atleast 35% of distributable profits.

He raised the following queries:

- Why the Company is looking at Chile for sourcing its Raw Materials? Is it because it is cheaper or out of necessity?
- Why postal ballot and annual report could not have been synchronised instead of being sent separately?
- Is the Company's entry into Power Sector necessary?
- How such a large amount of contingent liabilities have arisen?
- Although Commission on Sales has come down, why is it required at all to sell steel? How much of it pertains to domestic sales & how much to exports?

He concluded with a request for factory visit after Diwali.

- (13) Mrs. C.E. Mascarenhas, expressed her disappointment over the absence of the Chairman, Vice Chairman & MD and lady directors. She requested that a personal copy of the annual report should be sent by post also atleast to regular attendees at AGMs of the Company.

She raised the following queries:-

- * What is the impact on the Company's margins on account of increase in Repo rate?
- * What is the Capex for the current year and the means of financing the same? Whether Rights Issue would be one of the means of financing?
- * Any acquisitions in pipeline?
- * What is the Road Map post merger of SISCOL?

She requested for a plant visit and stated that she strongly supported all the resolutions.

- (14) Mr. Aspi Bhesania, welcomed Mr. Nagesh Pinge and hoped that the Company will be benefited from his contributions. He also complained about not having received the Annual Report and requested that a copy of the same should be sent to regular attendees by post also. He pointed out that on page 72 of the Balance Sheet, SISCOL's name is still appearing in the list of Associate Companies even after its merger with the Company and that it ought to have been removed.

He opined that the Highlights of 2007-08 given on page 4 should have been that of the consolidated entity and not that of the standalone entity since the Company has so many subsidiaries.

He wanted to know:

- * How much more income is expected from sale of Carbon Credits?
- * Which are the unprofitable regions referred to on page 3 of the Annual Report, from which the Company wants to exit?
- * How much of net profits has gone up excluding SISCOL and including SISCOL?
- * Does the Company expect to be self sufficient in Iron ore & coal?
- * What is the capex for the 6.8 mtpa expansion programme and its means of financing?
- * Page 61 of the Annual Report talks about long term advances from customers while at the same time it says repayable within a year. If it is repayable within a year why it cannot be adjusted against sales rather than repaying it?
- * Free-hold land acquired worth Rs.24 crores-where is this located?
- * Licensed and installed capacities:- HR Coils production is being shown more than the installed capacity, can the

Company produce more without increasing the installed capacity?

- * Subsidiaries except JSW USA are loss making- When are these subsidiaries expected to turn around?

The Chairman thanked the Shareholders for their compliments and suggestions and responded to some of their queries as follows:

- It is a fact that unprecedented rise in steel prices affects a very large section of the population; the Company is very much concerned about the same. If the EBIDTA increase of the Steel Companies is not in sync with the prevailing market conditions, only then steel Companies can be accused of profiteering. JSW Steel has made profit because of its performance, efficiency and scale of operations. JSW Steel happens to be one of the lowest cost steel producing companies in the World by virtue of its sheer efficiency, which has been acknowledged not only in India but in other parts of the World. It along with other steel companies had offered to co-operate with the Govt. of India to keep the steel prices under control despite raw material price increases.
- China's production and consumption of steel is more than No.2, No.3 & No.4 countries put together. India is ranked 5th and not 13th in steel business as stated by a shareholder. In India, SAIL is ranked No. 1 in the public sector and in the private sector, Tata Steel is No. 1 followed by JSW Steel at No. 2. Looking forward in 5 years time, JSW Steel will be the No. 1 in private sector taking into account the expansion plans of the Company with regard to Indian operations.
- Government's request to hold on prices has been partially off-set by the withdrawal of export duty on steel and the introduction of export duty on Iron Ore.

Dr. S.K Gupta then requested the Director (Finance) Mr. Seshagiri Rao M.V.S, to address some of the important and significant issues raised by the shareholders.

Mr. Seshagiri Rao, Director (Finance) replied to the various queries raised by the Shareholders as follows:

- The market share of HR Coils has increased from 12% to 14% in the domestic market and production share has gone up by 15%. In the long products segment, the Company's share was 3.5% but in this year the Company is commissioning another 1.5mtpa long products facility at Vijayanagar Works, which alongwith the newly acquired 1mtpa of SISCOOL would take the Company's market share to 9%.
- Profitability on export and domestic sales continues to change based on market dynamics. The strength of JSW Steel is its flexibility to exit or enter into markets depending upon price realisations. If the domestic market is more profitable, the Company sells more in the local market, otherwise it exports to overseas market. On account of the Rupee appreciation in the last year, there was a deliberate attempt to sell more in the domestic market. The Management Discussions Analysis (MDA) in the

Annual Report furnishes the composition of the Company's domestic & export sales relative to that of last year.

- In order to ensure that the Company is not affected on account of Rupee depreciation/appreciation, the Company created a natural hedge by increasing the foreign currency borrowings to 44% of total debt.
- The Company decreases exports and increases its borrowing in foreign currency when rupee appreciates and thus a natural hedge is available protecting the interest of the shareholders. The Company's debt mix consists of 44% Dollar borrowings.
- Return on Capital employed and Return on net worth is lower in 2007- 2008 because of large investments in various projects which are yet to be commissioned. The return will start on commissioning of these projects. The Company has invested around Rs.10,000 crores in the last 18 months. The commissioning of next phase of expansion from 3.8mtpa to 6.8 mtpa at Vijayanagar Works is ahead of schedule by 6 months and will be commissioned by September 2008. Once these projects are commissioned, improvement will be seen as far as returns are concerned. Costs have gone up but realisations have not kept pace as explained in the MDA, thus putting pressure on over all margins resulting in the EBIDTA margin coming down by 2.66%. Even though the margins have come down, the profit has grown in absolute numbers due to substantial volume growth. Even if SISCOL Unit is excluded, a significant growth has been achieved organically in JSW Steel itself relative to last year.
- Company is not affected by sub-prime crisis since it has achieved financial closure upto 11mtpa expansion. Future growth plans of the Company have been given in detail in the Annual Report. JSW Steel would like to become a 32mtpa Steel Company by 2020. The Company would continue to work on these plans. Two more green field projects of 10mtpa each, have been identified in West Bengal & in Jharkhand and the Company's Salem Unit is being expanded from 1mtpa to 2mtpa as a part of its brown field projects, which would take the total capacity of the Company to 32mtpa by 2020. Therefore there is a clear blue print of JSW Steel's expansion plans upto 2020.
- For funding Rs. 14000 crores required upto 11mtpa expansion, Rs. 8000 crores would come by way of debt and balance from internal accruals. Capex expenditure for F.Y 2008-09 is Rs. 5,800 crores of which Rs. 3,000 crores will be met by way of debt and balance out of cash accruals.
- Analysts meets are being held regularly every quarter and this exercise will be continued. Comprehensive information is being given in these analysts meets. JSW Steel is considered as a very transparent company in terms of disclosures, analysts presentations, website data, information being given to Stock Exchanges, shareholders etc.,

- Contingent liabilities - if not contingent, the same will be provided in the books. In the case of disputed liabilities, where the Company is reasonably sure and confident of winning the cases in its favour based on legal opinions obtained, the same have been shown as contingent liabilities.
 - Subsidiaries structure has been put in place based on legal advice.
 - Inventories & debtors have gone up in absolute numbers. Debtors as mentioned in the MDA remains at 10 days of sales like that of previous year. Inventories have however gone up by 7 days of purchases because higher inventories have been maintained at site as a precautionary measure to avoid stoppage of production on account of delays in receipt of raw materials. In relative terms the inventory & debtors are in line with increase in turnover of the Company.
 - The Company's weighted average cost of debt is lower at 7.59% as at 31.03.2008 as compared to 8.14% as at 31.03.2007. There will not any significant impact immediately due to hike in CRR/Repo rates as the interest reset on Rupee Loans are done at 3 year intervals. Company is able to get new loans at competitive rates in view of its improved financials. Part of the interest has been capitalised in respect of debt raised for projects which are under implementation due to which the interest burden in the F.Y 2007-08 was marginally higher.
 - Debt in absolute numbers has gone up on account of new debts for expansion projects. Debt gearing for standalone Company is 0.93:1 as on 31.03.2008. Company will try to adhere to maintain debt gearing of 1:1 for the standalone Company and 1.5: 1 for the consolidated entity.
 - The Company's present strategy is to buy Iron Ore in domestic market and to sell Iron Ore extracted from the Chilean Mines overseas which will act as a financial hedge.
 - The overseas acquisition in USA has been completed only in November 2007. The US Company before it was acquired had made an EBIDTA of USD 74mln for the entire year but after 5 months of operation following acquisition, this Company made USD 46mln EBIDTA, which is a significant improvement.
- Chile Mines has been acquired recently and the Company is incurring expenditure to create value, the benefit of which will be seen over a period of time once the operations commence.
- Increase in Promoter's holding is not on account of SISCOL merger with the Company but mainly due to the conversion of warrants issued on preferential basis to promoters. This will come down once the FCCBs will get converted.
 - FII holding has been steadily increasing because of the value the Company has been creating and they have been showing interest in the Company.

- The Board after a lot of deliberation has put a policy that upto 20% of the distributable profit will be declared as dividend. The total dividend declared this year alongwith preference dividend and dividend distribution tax is Rs. 340 crores which is around 20% and is in line with the Dividend Policy.
- The provisions of the Articles of Association of the Company have been followed in electing the Chairman with the members consent.
- Reading of the entire Auditor's Report even if the shareholders want the same to be taken as read, will be complied with.
- Total Capacity of JSW Steel is 4.8mtpa which is being expanded to 7.8mtpa by Sept/Oct 2008. If capacities in India are compared in F.Y 2008-09, JSW Steel probably will be the No. one Steel Company in the Private Sector in terms of capacity.
- Even after exclusion of other income, the Company's profit have gone up as explained in the MDA . The Company is not relying upon other income, but it is an additional income available to both the Company and its Shareholders.
- Adequate details on outstanding ESOPs have been given on various pages of the Annual Report (pg. 59, 70 etc). Prescribed accounting standards have been followed and provisions to the extent of Rs. 3.09 crores have been made in the Books of Accounts. The difference between the exercise price and the market price as on the date of awarding the ESOPs at the Board Meeting, has been provided over a period of 3 years based on the intrinsic value. Impact of IFRS will be examined as and when it becomes effective.
- FCCBs - USD 8.00 lacs has already been converted balance USD 324.2 mln is still outstanding.
- Suggestions given by Mr. Lakhani and others regarding the graph indicating the movement of Share price vs. BSE Index and the figures of previous year in the shareholding pattern etc., Bonus issue, factory visit will be examined.
- Provision for sundry debtors are shown at two places on Page 64 as unsecured & as other debts separately since one is more than 6 months and the other is less than 6 months old. The provisions have been made after following laid down procedures.
- The Company has a target to become self sufficient in Iron Ore & Coking Coal to the extent of 75% and 50% respectively. In this direction the Company has acquired Iron Ore Mines in Chile and Coal Blocks in Mozambique. In India also the Company has got coal mine allocations like Rohne Coal Block in Jharkhand, in West Bengal and Utkal in Orissa. Other Iron Ore mines allocations are in various stages of processing in India.

- Long Term advance payable is an advance received from a Foreign Buyer payable over a period of 7 years and the dues within one year is given separately.
- Details of doubtful loans will be provided to Mr. Lakhani.
- Sales Commission has come down relative to last year. These commissions are related mainly to export sales. The Company is a large exporter of Galvanised Steel and other products and as per International practice, commission is required to be paid to the trading companies.
- Shareholders' approval has been obtained to give Donations upto Rs.25 crores in each year and the donations made are significantly lower than what is approved by the shareholders. The details of major donations made by the Company are as follows:

	(Rs.)
Chief Minister Relief Fund, West Bengal	: 1 crore
OP. Jindal foundation	: 4 crores
Rajiv Gandhi Foundation	: 2 crores
Residential School for orphaned	: 3 crores
Akshaya Patra Foundation	: 2.34 crore

These donations have been used for noble causes.

After the various queries raised by the shareholders were answered, the Chairman requested any member present in the meeting to propose and another to second the resolution moved by him. Mrs. Asha Lata Maheshwari proposed and Mr. H V Sanghavi seconded the resolution.

The Chairman then put the above motion to vote and on a show of hands the resolution was declared as passed unanimously.

8. TO DECLARE DIVIDEND ON 10% CUMULATIVE REDEEMABLE PREFERENCE SHARES:

The Chairman moved the following resolution as an **Ordinary Resolution**, relating to Item No. 2 of the Notice that is, to declare dividend on the 10% cumulative redeemable preference shares of the Company:

"RESOLVED THAT as recommended by the Board of Directors in its meeting held on 05.05.2008, dividend at the stipulated rate of Re. 1 per 10% Cumulative Redeemable Preference Share (10% CRPS) of Rs.10 each of the Company be and is hereby declared for the Financial Year 2007-08 and that the said dividend be paid out of the profits of the Company to all the CRPS holders whose names appear in the Register of 10% CRPS holders on 27.05.2008".

Mr. Hariram Chaudhary proposed and Mrs. Homa Pouredehi seconded the resolution.

On being put to vote by the Chairman on a show of hands, the resolution was passed unanimously.

9. TO DECLARE DIVIDEND ON 11% CUMULATIVE REDEEMABLE PREFERENCE SHARES:

The Chairman moved the following resolution as an **Ordinary Resolution**, relating to Item No. 3 of the Notice, that is, to declare dividend on the 11% Cumulative Redeemable Preference Shares of the Company:

"RESOLVED THAT as recommended by the Board of Directors in its meeting held on 05.05.2008, dividend at the stipulated rate of Re. 1.10 per 11% Cumulative Redeemable Preference Share (11% CRPS) of Rs.10 each of the Company along with arrears for the period from 10.03.2007 to 31.03.2007, be and is hereby declared for the Financial Year 2007-08 and that the said dividend be paid out of the profits of the Company to all the 11% CRPS holders whose names appear in the Register of 11% CRPS holders on 27.05.2008".

Mr. Beruz Feramroz, proposed and Mrs. Sobhana Mehta seconded the resolution.

On being put to vote by the Chairman on a show of hands, the resolution was passed unanimously.

10. TO DECLARE DIVIDEND ON EQUITY SHARES:

The Chairman moved the following resolution as an **Ordinary Resolution**, relating to Item No. 4 of the Notice, that is, to declare dividend on Equity Shares of the Company:

"RESOLVED THAT as recommended by the Board of Directors, in its meeting held on 05.05.2008, dividend at the rate of Rs. 14/- per equity share of Rs.10 each on the paid-up equity share capital of the Company, be and is hereby declared and paid out of the profits of the Company and that the same be paid to those shareholders whose names appear in the Register of Members on 27.05.2008."

Mr. Arvind J. Vyas proposed and Mr. H.T.Vora seconded the resolution.

On being put to vote by the Chairman on a show of hands, the resolution was passed unanimously.

11. RE-APPOINTMENT OF MR. SUDIPTO SARKAR, AS DIRECTOR:

The Chairman moved the following resolution as an **Ordinary Resolution**, relating to Item No. 5 of the Notice, that is, the re-appointment of Mr. Sudipto Sarkar as a Director of the Company:

"RESOLVED THAT Mr. Sudipto Sarkar, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation".

Mrs. Asha Lata Maheshwari proposed and Mr. M.V.Jhaveri seconded the resolution.

On being put to vote by the Chairman on a show of hands, the resolution was passed unanimously.

12. RE-APPOINTMENT OF MR. UDAY CHITALE, AS DIRECTOR:

The Chairman moved the following resolution as an **Ordinary Resolution**, relating to Item No. 6 of the Notice, that is, the re-appointment of Mr. Uday Chitale as a Director of the Company:

"RESOLVED THAT Mr. Uday M. Chitale, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation".

Mrs. C.E. Mascarenhas proposed and Mr. Beruz Feramroz seconded the resolution.

On being put to vote by the Chairman on a show of hands, the resolution was passed unanimously.

13. RE-APPOINTMENT OF MR. SESHAGIRI RAO M.V.S, AS DIRECTOR:

The Chairman moved the following resolution as an **Ordinary Resolution**, relating to Item No. 7 of the Notice, that is, the re-appointment of Mr. Seshagiri Rao M.V.S, as a Director of the Company:

"RESOLVED THAT Mr. Seshagiri Rao M.V.S, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation".

Mr. H.T.Vora proposed and Mr. Dinesh Lakhani seconded the resolution.

On being put to vote by the Chairman on a show of hands, the resolution was passed unanimously.

14. APPOINTMENT OF STATUTORY AUDITORS AND FIXING OF THEIR REMUNERATION:

The Chairman moved the following resolution as an **Ordinary Resolution**, relating to Item No. 8 of the Notice that is the appointment of Statutory Auditors:

"RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, the retiring auditors of the Company be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration as may be decided by the Board of Directors of the Company".

Mr. Arvind J. Vyas proposed and Mrs. Sobhana Mehta seconded the resolution.

On being put to vote by the Chairman on a show of hands, the resolution was passed unanimously.

SPECIAL BUSINESS:

15. APPOINTMENT OF MR. NAGESH DINKAR PINGE AS DIRECTOR:

Mr. N.V. Jhaveri proposed and Mr. Hariram Chaudhary seconded that the following resolution be adopted as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Nagesh Dinkar Pinge, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 28.12.2007, and who holds office upto the date of this Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Nagesh Dinkar Pinge as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation".

On being put to vote by the Chairman on a show of hands, the resolution was passed unanimously.

16. VOTE OF THANKS:

Mrs. Sharmila Banerjee, Associate Vice President (Corporate Communications), proposed a vote of thanks to the Chairman, Directors and Shareholders present.

The Chairman then declared the meeting as closed.

Place: Mumbai
Date : 01.07.2008

DR. S.K.GUPTA
CHAIRMAN OF THE 14th ANNUAL
GENERAL MEETING