

MINUTES OF THE EXTRA-ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF JSW STEEL LIMITED HELD ON WEDNESDAY, THE 2ND JUNE 2010 AT 11.00 AM AT BIRLA MATUSHRI SABHAGAR, 19, NEW MARINE LINES, MUMBAI – 400 020:

DIRECTORS PRESENT:

MR. SESHAGIRI RAO M.V.S.
DR.VINOD NOWAL
MR. JAYANT ACHARYA

JT. MANAGING DIRECTOR & GROUP CFO
DIRECTOR & CEO (VIJAYANAGAR WORKS)
DIRECTOR (SALES & MARKETING)

IN ATTENDANCE:

MR. LANCY VARGHESE

COMPANY SECRETARY

SHAREHOLDERS PRESENT:

329 Shareholders present in person and 214 shareholders represented by 24 Proxies.

1. APPOINTMENT OF CHAIRMAN:

In the absence of Mrs. Savitri Devi Jindal, Chairperson and Mr. Sajjan Jindal, Vice Chairman & Managing Director of the Company, Mr. Seshagiri Rao MVS, Jt. Managing Director & Group CFO of the Company, was elected to chair by the members present, pursuant to the provisions of Article 93 of the Articles of Association of the Company.

2. WELCOME ADDRESS AND INTRODUCTION OF THE BOARD OF DIRECTORS:

Mr. Lancy Varghese, Company Secretary, on behalf of the Company, extended a warm welcome to the Shareholders, Members of the Board, Representatives of Bodies Corporates, Financial Institutions, Banks and Employees.

He also briefly introduced the Directors present on the dais.

3. CONFIRMATION OF QUORUM:

Mr. Seshagiri Rao MVS, 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 43 Bodies Corporate holding 42.46% in the Company's paid-up equity share capital, aggregating to Rs. 79.42 crores were present and that the Company has received 256 proxies, of which 251 are valid and 5 are invalid.

4. NOTICE CONVENING THE MEETING:

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

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

5. ISSUE OF UPTO 1,75,00,000 WARRANTS CONVERTIBLE INTO EQUITY SHARES OF THE COMPANY TO SAPPHIRE TECHNOLOGIES LIMITED, A PROMOTER GROUP COMPANY ON PREFERENTIAL BASIS:

The Chairman moved the Resolution as at Item No.1 of the Notice as a Special Resolution, that is, to approve the issue of upto 1,75,00,000 warrants convertible into Equity Shares of the Company of par value of Rs. 10 each, to Sapphire Technologies Limited, a promoter group company on a preferential basis.

The Chairman informed that a Copy of the certificate of the Company's Statutory Auditor certifying that the issue is being made in accordance with the requirements of Chapter VII of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009, is placed before the meeting in terms of Regulation 73 (2) of the said regulations and the same is available for inspection.

He also informed that the minimum issue price of the Warrants as certified by the Statutory Auditors is Rs. 1208.58. He further informed that the proposed issue price is Rs. 1,210 per warrant.

The Chairman also informed that the Company has also received the in-principle approval of the Bombay Stock Exchange Limited and the National Stock Exchange Limited for the proposed issue, vide their letters dated 12th May 2010.

The Chairman invited the shareholders to raise their queries, if any, restricted to matters related to the Agenda Item, 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.

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

1. Mr. Zahur Maniar wanted to know:

- a) Why the existing shareholders have not been offered the warrants?
- b) Whether any orders have been received since it is mentioned in the explanatory statement that the Company is pursuing Capital Expenditure Program to expand its Steel making capacity from 7.8 mtpa to 11 mtpa.
- c) What is the exact objective of this issue whether it is for expansion, capital expenditure or long term working capital expenditure?
- d) Whether Sapphire Technologies is a listed Company and what is the strength of manpower?
- e) Whether the existing shareholders would be affected by this issue as far as their dividend payments are concerned?
- f) What is the value creation to the Company and the shareholders by this issue?

He ended by reciting a few famous quotes and confirming that he supports the resolution put up for approval.

2. Mrs. Ashalata Maheshwari mentioned that since she couldn't make it for the last AGM and now Mr. Jindal is absent, it is quite some time that she met Mr. Jindal. She wished good luck to Mr. Jindal. She also mentioned that Mr. Seshagiri Rao, the Jt. Managing Director & Group CFO, is seen very often on TV.

She appreciated the Company's rapid expansion programmes, growth acceleration, achievement of the highest ever profit, the declaration of 95% dividend and the growth in market capitalization.

She opined that this fund raising by way of issue of Warrant to promoter is necessary for the Company to finance its large capital expenditure programme and to enhance the integration of key raw materials like Iron Ore and Coking Coal. She also stated that looking at India's growth plan it is a great opportunity to kick off the next phase of growth to achieve 32mtpa by 2020.

She raised the following queries:

- a) What is the total Capex Target?
- b) Whether there will be any impact on dividend on account of the increase in equity base?

She requested the management to consider a rights issue at an appropriate time which would be like a mini bonus to the Shareholders. She appreciated the Company Secretary for drafting a very informative and transparent notice.

She also opined that though the Company could have got the approval of the Shareholders by way of Postal Ballot or in the ensuing AGM, the expenditure on account of this EGM is justified as the Company could kick off its Capex Programmes quickly.

She concluded by appreciating the plant visit arranged for the shareholders in November 2009.

3. Mr. Harshad Kesharuwala informed that he has come all the way from Pune to convey his good wishes to the Company. He felt that like other Company's shares JSW Steel share prices should also increase on account of Bonus issues & Right issues. He also mentioned that the Company should have given the warrants to the existing shareholders so that their participation could grow.
4. Mr. Rohinton Batliwala expressed his thanks for the factory visit arranged for the shareholders in November 2009 and appreciated the Company Secretary and his team for organising it very nicely. He hoped another visit will be arranged sooner or later. He also opined that the existing shareholders should have been taken care of by way of a Rights issue and the like. He concluded by expressing his support for the resolution.
5. Mr. H.L. Sanghvi stated that even though plant visit has been arranged for the shareholders, the Management should look into issuing some kind of corporate benefits to existing Shareholders.

6. Mrs. Homa Pouredehi, questioned in response to the request of some of the Shareholders for a Rights issue, as to whether any shareholder would apply for a rights shares at the proposed issue price of Rs. 1210, when the market price of the shares are much lower? She opined that the willingness of the promoter to subscribe at a price higher than the market price shows their confidence & faith in the Company. She also mentioned that the reason behind the Company's success is because Mr. Jindal has got all geniuses on the Board who are striving to take the Company higher and higher.

She concluded by wishing the Company the very best and hoped to see it in the No.1 position. She stated that she supported the resolution.

7. Mr. Beruz Feramroz Pouredehi expressed his appreciation of the Company's advertisement i.e "green steel". He also expressed his gratitude for the returns on his investments in the Company in the long term. He also suggested that the Registered Office of JSW Holdings Limited may also be shifted from Delhi to Mumbai so that Shareholders like him would able to attend its AGM as well.

He stated that under the current Management, the Company can reach the number one position by overtaking Tata & SAIL.

He concluded by wishing the Company the very best and a bright future and remarked that when the market is down, the promoters are investing in the Company which shows their confidence in the Company.

8. Mr. Joseph Martins thanked the Chairman for inviting him to speak. He stated that he had great faith in the people who are entrusted with the affairs of the Company and that he approves whatever is put up in the Agenda. He wanted to know:

- a) Why Sapphire Technologies is the only recipient of this warrants issue to the exclusion of the Shareholders?
- b) the various proposals being evaluated by the Company to enhance the integration of key raw materials, namely, iron ore and coking coal.

He appreciated the efforts taken by the Company Secretary to ensure the delivery of notice of the meeting to him and for the excellent arrangements made during the November 2009 plant visit of the shareholders.

He wished & prayed for the prosperity of Mr. Jindal & his family.

9. Mr. Arvind J Vyas, wanted to know:

- a) What is the present holding of FIIs?
- b) What will be the amount that will be spent for Expansion Projects and Capital Equipment?

10. Mrs. Shobhana Mehta, welcomed Mr. Rao as Chairman of the EGM. She conveyed her good wishes to Mrs. Savitri Devi Jindal, the Chairperson and Mr. Sajjan Jindal, the Vice Chairman & Managing Director and mentioned that she missed them as well as all other directors, who have not been able to attend the meeting.

She articulated that the explanatory statement is very elaborate and that there is no need to raise any queries. She also appreciated the receipt of the Notice of the meeting on time and the efforts put in by the Secretarial Department for arranging the EGM even though the item under Section 81 (1A) could have been passed through Postal Ballot.

She appreciated the special efforts put in by the Company Secretary to find out whether the shareholders have received the notice or not.

Mrs. Mehta also mentioned that the Annual Report for the current fiscal has been received well in advance and that the results are excellent. She thanked for arranging the factory visit and complimented the Secretarial Department for the excellent arrangements.

She concluded by expressing her full support for the resolution proposed.

11. Mr. Hari Ram Choudhary, enquired whether after conversion of warrants, the dividend payout to Shareholders would be affected. He requested that Mr. Jindal should attend the coming Annual General Meeting. He also wanted that Mrs. Jindal should also be present at the AGM. He recalled his association with Mr. Jindal through Indian Merchant Chambers. He also appreciated the Company Secretary for taking care of the shareholders.

He concluded by paying homage to Mr. O.P. Jindal.

12. Mr. P.K.Agnihotry, stated that the resolution which is put up for the shareholders approval is in the right direction to increase the promoters holding. He suggested that to be on safer side and to avoid any take over by Foreign entities in the future, the allotment should have been more to reach a level of 51% post issue instead of 49.70%.

He expressed his wish to visit the Plant and requested the management to arrange one more visit giving a chance to shareholders who missed it last time.

He stated that Steel Companies have a bright future but is very dependent on Chinese Economy. He also stated that since JSW Steel has world wide operations it may not affect its performance.

He wanted to know:

- a) What will be the FIIs holding after conversion of these warrants?
- b) What is the Minimum issue price of the Warrants?

He expressed his support for the resolution put up for approval.

13. Mrs. CE Mascarenhas, appreciated the Secretarial Department for the way it is taking care of shareholders. She expressed her thanks for the plant visit and mentioned that the Company's share prices always goes up immediately after such visits. Very optimistically she mentioned that after this issue the share prices will become double. She wished that the Company would continue to grow more and more and the shareholders will be rewarded by it.

She wanted to know:

Why both the meetings that is EGM & AGM could not be clubbed together?

She concluded her speech by expressing her support for the resolution.

14. Mr. Michael Martins, expressed his admiration for the Company and the Management for the way they were leading the Company. He also expressed that he sees great prospects for the Company after the agreement signed with the Japanese firm. He stated that the Company needs extra capital for its expansions so he fully supported the resolution which is put up for raising the capital. He wanted to know the price at which the warrants will be issued.

He expressed thanks for the plant visit and also appreciated the Secretarial Department for the excellent treatment meted out to the Shareholders during the visit.

15. Mr. Jhaveri, said that the first time that there are two General Meetings happening in a single month. He raised the following questions:

- a) Why this EGM could not be postponed and clubbed with AGM?
- b) Whether Sapphire Technologies is a manufacturing firm or only a monitoring holding Company?
- c) What is the minimum and maximum issue price of the warrants?
- d) What type of steel is being imported into India?

16. Mr. Aspi Bhesania, asked the reason for keeping a separate meeting when the AGM is less than one month away. He also raised few questions such as:

- a) What is the conversion price and why it is not mentioned in the notice?
- b) What will be the promoters holding after conversion of the warrants & FCCBs?
- c) What is the status of around 15% stake sale to Japanese firm?

The Chairman thanked the Shareholders for their interest in the Company and then proceeded to respond to their queries as follows:

- 1) As the shareholders must have read in several places, JSW Steel has been rated as No. 7 in the World amongst 32 World Class Steel Companies based on 24 parameters, in which the Company has scored 10/10 in 4 parameters i.e. Labour Cost, Conversion Cost, Expansion and Presence in growing Market.
- 2) In 2009 during the recession period, steel production in the world came down by 10% and several steel companies shut down capacities but JSW Steel grew 61% in production and 67% in Sales. Goldman Sach, a reputed firm has in their Report mentioned that JSW Steel is the fastest growing steel company in the world.
- 3) As explained in the last Annual General Meeting, as on 31.03.2009, the Company had a high leverage and the debt: equity ratio for consolidated Company was 2.05 even though it has been growing very fast with substantial value creation. To maintain the growth momentum at the same level, the Company needs to reduce the leverage and take steps ahead of

the competition by creating new capacities and new avenues of revenue for the Company. It is therefore better for the Company to get capital as early as possible and get leverage reduced in this quarter itself rather than waiting for the AGM.

- 4) Price of the warrant as per SEBI formula works out to Rs. 1208.58 per warrant but the promoters are willing to subscribe for the warrants at Rs. 1210/- per warrant which is significantly higher than the current market price. Many of the Companies when they raise capital from the market by way of QIP, Rights Issue etc., the issue price is at a discount of the market price but whereas in this case, the Company is raising funds at a premium which is good for the Company as well as for the shareholders.

The money which the promoters are willing to invest in the Company is a large amount, which shows the promoters confidence. The total subscription money will be Rs. 2117.50 crores out of which 25% will come in immediately and balance over a period of 18 months. This will bring down the leverage significantly over a period of time.

- 5) Sapphire Technologies Limited is a Company belonging to promoter Group.
- 6) For integration of Iron Ore & Coking Coal, the Company has been working on this for the last few years. The Company has been allotted some Iron Ore mines in India which will get operational on receipt of approvals and sanctions. As far as Iron Ore is concerned, the Company has 20% integration and is working to increase upto 70% by F.Y 2013. The Iron Ore mines acquired in Chile will be operational by way of third party contracting by September/October 2010 and the cash flow from these mines will start in this financial year itself. As far as coking coal is concerned there is no integration as of now and the Company is importing its entire coking coal. The company recently acquired certain coking coal mines in US and is also looking for acquiring more mines to increase the integration upto 70% in Iron Ore and 50% in Coking Coal by F.Y 2013.
- 7) The proceeds of this proposed allotment will be used mainly for meeting capital expenditure, lowering leverage and for long term working capital requirements.
- 8) Total capital expenditure of around Rs. 7000 crores will be incurred in this financial year, part of this fund will be used for capacity expansion of 3.2 mtpa which will be commissioned by March 2011 and there will be significant growth in volumes in fiscal 2012. In the current financial year, the Company has given a guidance of 18% growth in volumes over last year. The Company has grown 61% in fiscal 2010 and in fiscal 2011 there will be a further growth of almost 18% in volumes.

In addition to the above, a State of the Art, 3.5 mtpa Hot Strip Mill has been commissioned in this financial year which will increase margins as more rolled products will be sold rather than semi finished products. The capital expenditure which has been incurred last year is put to better use which will increase the Company's margins in this year. Further growth will happen on account of future capacity expansion due to additional capex programme.

- 9) The Company has a dividend policy which will be followed for making dividend payments after taking into account the constraints in terms of various Loan Agreements.

- 10) The present holding of FIIs is 31.41% which will come down on account of dilution.
- 11) Minimum & Maximum price: - The lowest price in the last 6 months is Rs. 676/- and Rs. 1284.35 is the highest price.

He then requested any member present in the meeting to propose and another to second the following resolution as at Item No. 1 of the notice:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, the provisions of Chapter VII of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009, (hereinafter referred to as the "SEBI Regulations"), as also of any other applicable laws, rules, regulations, and guidelines (including any amendment thereto or re-enactment thereof) and the enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the stock exchanges where the equity shares of the Company are listed, and subject to all such approvals, consents, permissions and/or sanctions as may be required from appropriate authorities, including the Securities and Exchange Board of India (SEBI), Government of India, Reserve Bank of India, financial institutions, banks, and stock exchanges (hereinafter singly or collectively referred to as "the Appropriate Authorities") and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting any such consents, permissions, approvals and/or sanctions (hereinafter singly or collectively referred to as "the requisite approvals") which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee(s), which the Board may have constituted or hereafter constitute in this behalf to exercise the powers conferred on the Board by this resolution), the Board be and is hereby authorised in its absolute discretion, to create, offer, issue and allot in one or more tranches, upto 1,75,00,000 (One Crore Seventy Five Lakh) warrants (hereinafter referred to as the "Warrants"), convertible into equity shares of the Company of par value of Rs.10 each ("Equity Shares"), to Sapphire Technologies Limited (the "Warrant holder"), a promoter group company, on a preferential basis, without offering the same to any other person, at a price not less than the minimum price determined as per the provisions of Chapter VII of the "SEBI Regulations".

RESOLVED FURTHER THAT

- i. the relevant date for the purpose of determination of the price of the Equity Shares issued and allotted upon conversion / exercise of right attached to the Warrants, in accordance with the provisions of Chapter VII of the SEBI Regulations shall be the date thirty (30) days prior to the date of this Extra Ordinary General Meeting i.e. May 3rd, 2010;
- ii. the Warrants to be created, offered and allotted and the Equity Shares arising upon conversion of the Warrants shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- iii. the Board be and is hereby authorised to issue and allot such number of Equity Shares as may required to be allotted upon conversion / exercise of right attached to the Warrants issued in terms of this resolution, all such Shares ranking pari passu inter-se and with the then existing Equity Shares of the Company in all respects, including dividend.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the Equity Shares with the stock exchanges, without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors or any Director or Directors or any Officers of the Company to give effect to this resolution.”

Mrs. Homa Pouredehi proposed and Mr.Zahur Maniar 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.

6. VOTE OF THANKS:

The Chairman thanked the Shareholders present and then declared the meeting as closed.

**Place : Mumbai
Date : 30th June , 2010**

**SESHAGIRI RAO MVS
CHAIRMAN OF THE EXTRA –
ORDINARY GENERAL MEETING**