

MINUTES OF THE SIXTEENTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF JSW STEEL LIMITED HELD ON TUESDAY, 29TH JUNE 2010 AT 11.00 A.M AT BIRLA MATUSHRI SABHAGAR, 19, NEW MARINE LINES, MUMBAI – 400 020:

DIRECTORS PRESENT:

MR. SAJJAN JINDAL	VICE CHAIRMAN & MANAGING DIRECTOR
MR. SESHAGIRI RAO MVS	JT. MANAGING DIRECTOR & GROUP CFO
DR. VINOD NOWAL	DIRECTOR & CEO (VIJAYANAGAR WORKS)
MR. JAYANT ACHARYA	DIRECTOR (SALES & MARKETING)
DR. S.K.GUPTA	DIRECTOR
MR. ANTHONY PAUL PEDDAR	DIRECTOR
MR.UDAY CHITALE	DIRECTOR & CHAIRMAN OF AUDIT COMMITTEE.
DR. VIJAY KELKAR	DIRECTOR
MR. SUDIPTO SARKAR	DIRECTOR
MR. K. VIJAYARAGHAVAN	DIRECTOR
MRS. VANDITA SHARMA,IAS	NOMINEE DIRECTOR (KSIIDC)

IN ATTENDANCE:

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

SHAREHOLDERS PRESENT:

550 Shareholders present in person and 215 shareholders represented by 21 Proxies.

1. APPOINTMENT OF CHAIRMAN:

In the absence of Mrs. Savitri Devi Jindal, Chairperson of the Company, Mr. Sajjan Jindal, Vice Chairman & Managing Director 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 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:

Mr. Sajjan Jindal, 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 45.09% in the Company's paid-up equity share capital, aggregating to ₹ 84.35 Crores were present and that the Company has received 234 proxies, of which

230 are valid and 4 are invalid. 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:

Mr. Sajjan Jindal, 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 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 2009 ALONG WITH THE AUDITORS' REPORT AND DIRECTORS' REPORT:

The Chairman requested the shareholders to receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, 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, 2010, 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".

Thereafter at the Chairman's request, Mr. Lancy Varghese, Company Secretary read out the Auditors' Report.

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, as there were a long list of shareholders who wish to speak up.

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

1. Mrs. Ashalata Maheshwari, enquired about the health of Mrs. Savitri Devi Jindal, Chairperson and asked Mr. Jindal to convey her regards to Mrs Jindal. She mentioned that her meeting with Mr. Jindal is happening after two years as she couldn't make it for the last AGM and Mr. Jindal was absent in the recent EGM.

She stated that at the time of sub-prime crisis followed by recession, every organisation was affected but Mr. Jindal and his team took the adversity as an opportunity and started expansions. She expressed her happiness to note that the Company has been ranked at No. 7 amongst world class steel makers.

She congratulated the Company Secretary, the Secretarial Team and Corporate Communication Department for the excellent and informative balance sheet. She also congratulated the recipients of various awards.

She gave her insight of the Balance Sheet as follows:

Performance is encouraging and that in spite of a challenging period, the net turnover has grown by 30%, EBIDTA margin for the year is 26.2% as against 21.8%, PAT of 341% is the highest ever, Earning Per Share is ₹105.94 and dividend rate is 95%.

She felt that looking at the EPS, a better dividend could have been declared but may be due to expansions the Company requires to conserve its resources. She hoped that the same will be considered at the time of declaring dividend for the current year. She also appealed to the Chairman for a bonus issue. She expressed that the equity base of the Company should commensurate with the size, growth and volume of the Company.

She also opined that JSW Steel is the fastest growing integrated steel manufacturer and looking at the expansions & the upcoming Bengal & Jharkhand projects, growth in JSW Steel is guaranteed.

She raised the following Queries:

- Looking at the Foreign Exchange earning for the FY 2009-10 which is reduced to 2,772.02 crores, what will be the Foreign Exchange earning for this fiscal?
- What will be the impact on profitability due to fluctuation of currency?
- What is the investment target for the current year, the next year and source of funding?
- What will be the outlook for steel prices?
- What is the impact on profitability due to recent price increase in fuel?

She requested the Chairman to restructure the group companies to unlock value for the shareholders.

She appreciated Mr. Seshagiri Rao, the Jt. Managing Director & Group CFO and all employees for their dedication and contribution towards the growth of the Company.

She opined that the Management Discussion and Analysis is a complete encyclopaedia of the entire steel industry.

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

2. Mr. Tamal Kumar Majumder, stated that the Chairman's Speech represents a strong vision coupled with focused action of the Company. He further stated that the Company was attentive to grab every opportunity for growth which is the reason it has become the number one private steel manufacturer.

He made the following comments / Analysis:

Sales through JSW Shoppe for 2009-10 is 6.5 lac tonnes as against 2.96 lac tonnes in the year 2008-09, which indicates an increase of 115% over last year. Sales through Shoppe contributed 16% of the rolled products in domestic sales in the F. Y 2009-10. The number of JSW Shoppe are 174 . As far as the product mix is concerned, 59% value added flat products, 12% Rolled Products and 28% rolled HR Products are sold through JSW Shoppe.

In connection with JSW Shoppe business, he wanted to know:

- How this chain is working in the current year?
- Whether these are franchise outlets or the Company owns these Shoppes?
- Whether management is planning to increase the network of Shoppe during the year 2010-11.
- What is the projected contribution of these units during 2010-11?

He also wanted to know the following in connection with the Annual Report and strategic decisions of the Company:

- Whether the business plan for the fiscal year 2010-11 to produce and sell 7.0 million tonnes and 6.75 million tonnes respectively, as mentioned in the Directors' Report (Pg.12) is an achievable target during the year 2010-11?
- What will be the impact on recent removal of export rebate on steel products by China?
- What will be the projection of exports during 2010-11? Is there any possibility of increase from the current year's share of 16%?
- Clarification on JFE Steel Corporation's strategic collaboration agreement with the Company in 10 areas and the media reports about the Equity Investment of approx. 10-14% by JFE Steel Corporation in the Company.
- Whether JSW Steel has made any investment in JFE Steel Corporation?
- Which are the areas both JFE Steel Corporation & the Company are working jointly?
- What is the cost of the acquisition of Coking Coal mines in US?
- What is the expectation of capacity utilization from JSW Steel's US operation in the current year?
- Looking at the fragile economic conditions in USA, when it will be possible to break even in the loss making of US operations.
- FCCB Conversion: Looking at the current market situation and in consideration of the rates at which the promoters were offered the recent preferential issue, whether the FCCB's will be converted at ₹ 953.40 within the specified time or is it possible to redeem the same before maturity?

- Clarification on the media report about proposed acquisition of Obullapuram Mines

He made positive remarks about the message posted by the Chairman on the Company's website. He concluded by wishing Mr. Jindal and the team good luck.

3. Mr. Harshad Kesharuwala, expressed that even though he is a shareholder for the last 16 years, it is his first AGM that too meet Mr. Jindal and congratulate him personally. He also expressed that the Company's Logo and its red arrow upward shows its progress all around. He stated that the Corporate Film gave him an insight about the working of the Company's plants. He appreciated the Shoppe concept and the green steel idea. He appealed to the Chairman for a Rights Issue. He thanked the Chairman for caring for the stakeholders, employees and the communities around its works.
4. Mr. Kamlesh Shah brought to the notice of the Chairman, his grievance regarding forfeiture of 2499 shares & debentures of erstwhile Jindal Iron & Steel Co. Limited held by him. He also sought certain information and documents in connection with the forfeiture. He had informed that his letter dated 29.06.2010 has been circulated to all the Directors on the dias. He requested the Chairman to depute a Committee to settle his issue.

Mr. Jindal advised Mr. Lancy Varghese, the Company Secretary and Mr. Kaushik Shah to meet him immediately after the AGM to understand and resolve his case.

5. Mrs. Homa Pouredehi, expressed thanks for the Chairman's speech and for the Corporate Film. She welcomed all the Directors on the Board especially Mr. Anthony Paul Pedder and the only lady director on the dias i.e Mrs. Vandita Sharma. She praised Mr. Jindal for his confidence and ability to expand the Company.

She wanted to know:

- i. What steps the Company has taken to inform the shareholders regarding the un-claimed dividend of ₹9.78 crores before it is transferred to Investor Education and Protection Fund? She advised that a letter should be sent through UPC to all shareholders.
- ii. Clarification on ₹9.67 crores provision for doubtful debt and why it is doubtful?
- iii. Whether the Tarapur power plant of 30 MW is thermal based or gas based?
- iv. What is the reason for PAT increase?

She appreciated the reduction in electricity consumption per unit. She mentioned that the production facilities in Bellary are really amazing and congratulated the Secretarial Department for making all arrangements during the shareholders' factory visit in November 2009.

6. Mrs. Sobhana Mehta, expressed her good wishes to Mrs. Savitri Devi Jindal, the Chairperson and stated that she should attend at least one

AGM to enable the shareholders to meet her atleast once. She stated that the Annual Report was received on time and congratulated the Company Secretary, the Secretarial Team and all those involved for making an informative & colourful Annual Report. She appreciated the detailed information given in the Annual Report such as Company's future working plans and productions etc.,

She praised Mr. Jindal for fulfilling his father's dream, for his simplicity and for his down-to-earth nature. She also stated that Investors, Analysts, Media, who ever she met in the past, all carry the same impression about Mr. Jindal.

She congratulated the Chairman, the Board and all the employees for the excellent performance of the Company. She expressed her happiness for the 95% dividend declared as compared to 10% last year. She stated that looking at ₹106 EPS, the dividend payment would have been better than what is declared but looking at the ₹ 75000 crores capex plan it is fair on the part of the Company to earmark funds for the expansion plan.

She articulated that the Company year after year, in the last 16 years has grown substantially and even at the time of economic downfall, when the Steel Industry was down all over the world, JSW Steel has moved forward. She also mentioned that Lloyds Steel is still struggling to come out of its losses.

She appealed to the Chairman for a 1:1 bonus saying that it is justified in the light of the Company's reserves and share capital.

She raised the following queries:

- Whether details of Economic Value Added (EVA) have been given in the Annual Report? If not, the same should be included henceforth in the Annual Report.
- What is the total cost of construction of office building being constructed at Bandra Kurla Complex? Does this office belong to JSW Steel or JSW Energy?

She also informed that there is 21% growth in contribution to Government and Society in the form of Direct & Indirect Taxes, whereas there is not much change in the employees' remuneration figures. She also brought it to the notice of the Chairman that the name of the Company Secretary is not figuring in the statement given under Section 217(2A).

She concluded by saying that she supports all the resolutions put up for approval.

7. Mr. Beruz Feramroz Pouredehi, stated that when the market was down, the promoters showed confidence to invest in the warrants. He also appreciated the confidence of Mr. Jindal to make huge green field and brown field expansions. He wanted to know:
 - i. Whether the Management is confident about putting up projects in Jharkhand and Bengal as both these areas are highly Naxalite

affected regions and many Corporates like Tata & Wipro have pulled out from these regions?

He recalled a labour problem which happened in Tarapur plant years ago and the way Mr. Jindal managed the problem.

- ii. Whether any provision has been made for the huge contingent liability shown in the Balance Sheet?
- iii. What is the progress in the Collaboration Agreement with JFE Steel Corporation? What is the price at which JFE Steel purchased the shares of the Company?

He expressed his happiness on Dr. Kelkar's reinstatement on the Board as he is a well known figure in the Government of India and on the Board of many good Companies. He enquired about the absence of Mrs. Zarin Daruwala, Nominee Director of ICICI.

He also gave some insight on the balance sheet as below:

Profit After Tax increased from 3% last year to 11% this fiscal, EPS has gone up from ₹ 22/- to ₹105/- and dividend from 10% to 95%. He also mentioned that JSW Steel has over taken Tata Steel in dividend payment as Tata Steel's dividend payment has come down from ₹15/- per share to ₹ 8/- per share. He also expressed his confidence that one day JSW Steel will over take Tata on production parameters.

He concluded his speech by wishing the Company all the best and expressed that the current year will be more better for the Company.

8. Mr. Hari Ram Choudhary wanted to know the secret of JSW Steel's good results in-spite of economic melt down all over the world. He congratulated the recipients of the various awards. He appreciated the Chairman's speech and said that it reflects the capability, capacity & the potential of the Company. He recalled his association with Mr. Jindal through Indian Merchant Chambers.

He also wanted clarification on a news item which appeared in the media regarding the claim of Karnataka Government that Iron Ore worth ₹2500 crores have been washed away during the recent rain. He wanted to know whether this incident will have any impact on raw material availability.

He also wanted to know the following:

- i. What will be the impact on profitability due to Goods & Services Tax (GST) which will be imposed from April 2011?
- ii. How many meetings does the Chairman have with Media & Analysts?
- iii. What is the head count of employees?
- iv. Out of the 13 crores spent on Corporate Social Responsibilities, only ₹3 crores have been accounted in the form of donation, under what head the balance ₹10 crores spent has been accounted?

He also expressed that the amount spent on CSR activities should be 2% of the profitability, which is the practice many good corporates

follow. He wished that Mrs. Jindal should be present at the AGM as she is the back-bone of CSR activities.

He requested the Management to arrange a plant visit of shareholders to Tarapur. He wanted to know about the concept of green steel. He stated that the dividend payout is only ₹9/- and this should be increased to ₹15/-next year.

He also mentioned that late Shri OP Jindal was associated with "Agarwal Vikas Trust" and hoped that the Chairman will also associate himself with the Trust, which is formed for the well being of Agarwal Community. He opined that 10 years highlights should be given in the Balance Sheet as done by many other companies. He appreciated the details provided in the Balance Sheet under section 217 2(A).

He concluded by requesting for a bonus issue.

9. Mr.N.V. Zhaveri, expressed his gratefulness for increasing the dividend payment from 10% to 95%, but felt that it ought to have been around 120% considering the high profitability of the Company. He mentioned that due to the good prospects of the Company, the share prices had reached to a new height.

He wanted to know:

- i. Whether the HR Coil and CR Coil price realization is remunerative or is there a glut in the market?
- ii. Whether after 2-3 years, after commissioning of all the pending green field/brown field capacities, is there a possibility of glut arising in Steel Industry like in the case of Cement Industry currently?
- iii. Why the Company is not looking for opportunities in Indonesia & Australia for coal mines instead of USA?
- iv. Whether the Iron Ore requirements of the Company can be met domestically or is there a need to depend on imports?

He congratulated the Management for the rise in EPS from ₹ 20 last year to ₹ 106/- in this fiscal.

10. Mr. Michael Martins, appreciated the Management for the excellent performance of the Company for its meaningful vision, mission and core value statements, for the good profitability, for increasing the dividend payment, for the energy efficiencies, Research & Development efforts and IT initiatives etc. He felt that the only field where there is a negative performance is in Foreign Exchange usage.

He thanked the Chairman for the factory visit of Shareholders arranged in November 2009 and expressed his happiness to see a well operated plant and also the initiatives taken in CSR activities to empower the village women.

He sought the status of the agreement signed with JFE Steel Corporation, Japan.

11. Mr. Joseph Martins expressed happiness over the qualifications and background of the Board members and stated that the person who is capable of selecting such people of high standards and qualities to serve are termed to be good entrepreneurs. He also thanked the Chairman for keeping the shareholders of the Company happy. He conveyed his regards to the Chairperson and congratulated Mr. Jindal on his daughter's marriage.

He appreciated the management for arranging factory visit of shareholders in November 2009. He praised Mr. Jindal for his quick decision making and said that the country requires leaders like him. He also appreciated the financial highlights given in tabular form and other details given like Book Value per share, market price per share, EPS, Market Capitalisation etc., He also appreciated the cost & profit percentage given in the form of a pie-chart on the last page of the Annual Report.

He expressed his happiness to see that the energy consumption has declined and stated that it is a great achievement for a Company of this size and that this will bring in substantial savings to the Company. He stated that the several key initiatives taken last year are noteworthy. He articulated that the AGM is a great event where the shareholders views can influence the Board for taking certain strategic decisions and he cited the example of Tata Steel, where the Board of Tata Steel directed their management to take initiatives to reduce the cost of production immediately after a suggestion given by the Shareholders in the AGM.

He stated that the management should use resources efficiently and effectively in order to achieve objects. He also stated that the innovation should be deeply rooted in the organisation culture. He remarked about the collaboration of the Company with JFE Steel Corporation, Japan.

He concluded by appreciating the Corporate Social activities of the Company.

12. Mr. Shailesh Mahadev congratulated the Board Members, Management Team and the employees for the excellent results at a rapid rate and for gaining 7th Rank amongst the World Class Steel Manufacturers. He appreciated for obtaining 10/10 rating in four parameters. He stated that the Annual Report is excellent especially the Management Discussion and Analysis . He also appreciated the Company Secretary for the introduction of Directors on the dias.

He requested to print the Directors' Report and Management Discussion and Analysis Report in a bigger font for easy readability. He also requested to incorporate a world map showing locations of Company's operations, sources of raw materials and locations of subsidiaries in the Annual Report.

He wanted to know:

- i. How the Management foresees profitability from overseas operations especially from USA & UK?

- ii. Leaving apart the income from Foreign Currency Fluctuation, what is the profitability foreseen for the current year?
- iii. What will be the quantum of value added products after all the capacities including the proposed 2 x 10mtpa plants in Bengal & Jharkhand are commissioned?
- iv. Whether the income from Carbon Credits is a one time income or for a particular period?

He also requested to include Economic Value Added (EVA) data in the Annual Report.

He concluded by saying that JSW Steel should bring back the glory of Vijayanagar Empire.

13. Mr. Dinesh V. Lakhani stated that the Company has posted excellent results, income has increased from ₹458.50 crores last year to ₹ 2022.74 crores which means an increase of 4.5 times. Looking at the income of ₹ 532.84 crores from other sources, he felt that the income from core activities is more important and should not depend much on income from other sources.

He pointed out that the Dividend yield is less than 1%, which is very meagre and that there is no consistency in dividend payment year after year. He also felt that at least 25% of the net profit should be distributed as dividend as the Company has very low equity base and the dividend payout should be reasonable.

He opined that over the years on regular intervals preferential allotments have been made to promoters but nothing has been offered to shareholders so far, hence he felt that a bonus issue should be considered.

He expressed that out of ₹187 crores of the paid up capital, 40% has been added by way of the 3 amalgamations which happened in the past, which has also contributed to the reserves yet the shareholders have not benefited .

He wanted to know the following:

- a) What is the dividend payout policy of the Company?
- b) How does the Company justify the investments made in the subsidiaries?
- c) What is the total amount the Company has spent on the subsidiaries in the form of investments, loans, interest and bank guarantees?
- d) What is the return expected from these subsidiaries?
- e) How much JV companies & Associates contributed to profits?
- f) Why is it not mentioned in the Annual Report that the balance sheet of subsidiary companies are posted on the Company's website?
- g) What extent the Corporate Governance Voluntary Guidelines issued by the Ministry of Corporate Affairs have been implemented by the Company? Why there is no mention about it in the Annual Report?
- h) What is the bifurcation of loans & advances?

- i) Whether the Company has made any provision for disputed amount of ₹257 crores shown in the Balance Sheet?
- j) How much the Company is incurring on legal cases?
- k) What is the impact on EPS and profitability after exercising the recent ESOP?
- l) What is the impact on the Company after the proposed new 3 Legislations (Direct Tax code, GST and IFRS) which will come into force from 2011? Whether the Company has made any ground work especially on IFRS?

He stated that a couple of years ago when he raised the issue of forfeited shares, Mr. Sajjan Jindal had promised to consider the re-issue of forfeited shares, if it is legally permitted. He suggested that the Management allow those shareholders who wish to make the final call money payment now and get the shares.

14. Mr. Gautam Tiwari mentioned that he knows Mr. Jindal since the time he joined his father's business as a young boy and later building a business empire, which is beyond his father's dream. He also expressed happiness that the shareholders were rewarded through out these years under the magnificent leadership of Mr. Jindal. He stated that he read many news reports about the Company's collaboration with JFE Steel Corporation and wanted to know the status about the joint venture.

Mr. Gautam Tiwari also mentioned that after viewing the Corporate Film and the plant visit, he is very impressed about the modern facilities in the production field and the high quality products and hoped that in the coming years JSW Steel will set its own benchmark in the steel industry. He expressed his best wishes & regards to Mrs. Savitri Devi Jindal.

He appreciated the transparent, informative and good Annual Report. He also appreciated the Company Secretary & his team for resolving the issues of shareholders in very satisfactory manner. He also praised Mr. Jindal and the Board Members for their efficient leadership to bring growth & prosperity to the Company.

He requested for a plant visit to Tarapur Works and to consider a bonus or a rights issue. He suggested to leave the last page blank in the Annual Report. He also appreciated the financial highlights given on the last page of the Annual Report.

He wanted to know the capex programme of the Company in the coming years.

He concluded by saying that he supported all the resolutions put up and wished the Company all success.

15. Mr. Arvind Vyas appreciated the details given on the global steel industry, Chinese Economy and Indian Economy in the Annual Report but felt that the printing quality needs to be improved.

He raised the following queries:

- i. On the claims of JSW Steel & Tata Steel as the lowest cost steel makers, what is the manufacturing cost per tonne?
- ii. How the Company will finance the ₹75000 crores capex green field/brown field programmes to achieve 32mtpa by 2012?
- iii. Details of the new initiatives taken by the Company to institute Earth Care Awards jointly with Times of India to promote environmental & culture consciousness among people?
- iv. What is the impact on the Country, Steel Industry and the Company on account of the Government Action to curb raw material exports and encourage value added items?
- v. What will be the growth rate especially in Steel Industry by the year 2012 looking at the emerging markets growth rate of 6.3%?
- vi. What will be the demand for Steel by the end of the 12th plan?
- vii. What will be the impact on production cost after the commissioning of the proposed 300mw power plant?
- viii. Whether the Company is going to supply steel for the Government infrastructure projects in the pipe line?

16. Mr. H.L.Savani, congratulated the management for the good results. He felt that leaving a blank page in the balance sheet as requested by a shareholder is mere waste. He highlighted the rise in tax paid from ₹ 219 crores last year to ₹ 796 crores this fiscal and recommended that the dividend payment should also be increased in proportion to the tax paid. He also felt that as the book value has increased by almost double in the last 5 years, market price has gone up by 4 times and EPS has become double, a bonus issue should be considered this year or later.

He mentioned that looking at the weightage given by the Government in the 13th planning commission, Steel Industry & Cement Industry are in a safer mode.

He wanted to know:

- Whether India is importing steel from China, if so, does it effect the Company's production?
- What is the impact on profitability due to recent increase in fuel prices and due to the high level of inflation?
- Whether the foreign currency losses incurred in last year is the reason for showing the year- to- year commendable profit?
- What is the source of finance for the recent acquisition of coal mines in USA?

He also felt that the FIIs holding in the Company is high and that the share prices might get effected very sharply whenever any problems arise in international markets. He expressed that the interest figure has gone up by 26%, sundry debtors by 41% and loans & advances by 22%, which are very high and measures should be taken to control it. He wanted to know why the Company is investing surplus funds in Mutual funds when it is paying high interest rates on its loans.

He congratulated the Company Secretary and his team for the reduction in investor complaints over the years. He informed that there is no provision in the Companies Act to re-issue the forfeited shares

and that the demand raised by some shareholders need not be considered.

17. Mr. Dinesh Bhatia, congratulated for the excellent profits. He felt that looking at the book value and EPS, a bonus issue should be considered. He also felt that split of shares is another option to enhance the shareholders value. He sought an explanation on Foreign Exchange Gain of ₹412.95 crores mentioned in the balance sheet. He requested that like last year a plant visit should be arranged this year also and preference should be given to the shareholders who could not make it last time.

18. Mr. P.K. Agnihotry, expressed his happiness to see the improved performance of the Company. He mentioned that 2008-09 was a year of disappointment for the Company due to the global meltdown but during the current year, the Company has not only been ranked 7th amongst the world class steel manufacturers but has also proved itself by prudent working and methodology.

He wanted to know:

- i. Whether India exports any steel products as he read in the report that India is the 3rd biggest consumer of steel?
- ii. What are the measures taken to bring down long term debt as it is still very high in comparison to 2006-07 data?
- iii. Whether a turnaround can be expected as regards the loss making global subsidiaries?

He concluded his speech by supporting all the resolutions put up for approval.

19. Mr. Aloysius Mascarenhas, thanked the Management, Company Secretary and R & T agent for sending the Annual Report on time. He appreciated the excellent results, for the five years highlights given, for incorporating all the parameters in the Annual Report which are required for good corporate governance and for showing progress of the Company through pie charts.

He wanted to know:

- i. What will be the impact on profitability of the Company due to the European sovereign debt crisis?
- ii. What is the contribution of China's exports to world market and whether it affects the Company's share in the International Market?
- iii. What is the profit from investment in Mutual Fund?

He requested a bonus issue and a plant visit to Salem Works.

He wished the Chairman, Board and the Employees for the excellent performance of the Company.

20. Mr. Aspi Bhesania, congratulated the Management for the excellent results, especially the Jt. MD & Group CFO and CEO & Director

(Vijayanagar Works) for managing the net current assets very well. He sought the following clarifications:

- Which market is more profitable, domestic or international?
- What is the conversion price of recent issue of preferential warrants to promoters?
- When are subsidiaries especially the US subsidiary expected to turnaround?

He concluded by saying that there is no provision in the Companies Act to re-issue the forfeited shares. He further said that even if the Management considers the re-issue of the forfeited shares, it should be at market price as otherwise it would not be fair to the shareholders who paid the call money when the Company's share prices were down.

The Chairman thanked the Shareholders for their good wishes to his mother and said that next time she will try and attend the meeting. He then proceeded to respond to their queries as follows:

- Since steel is a commodity the prices of steel products will keep on fluctuating. At present the prices are at a lower side which is good for the Country as the consumption will increase.
- JSW Shoppe business is expected to increase in the current year as the retail sales of all products are showing very good results. Sales through JSW Shoppe outlets are expected to increase by 30%.
- JSW Steel's interest in JFE Steel Corporation is to get technological expertise and their long experience in producing high quality steel. Japanese Auto Makers, who have a large presence in India, prefer Japanese suppliers for their steel procurement. This collaboration, if it happens, will help the Company to increase its market share.
- In the last year, US operations were not good and less than 25% of capacity could be utilized as the US Economy was not doing well. The market is improving in US and demand is picking up so US subsidiaries are expected to do better in the coming years.
- The global demand for coal is high and acquisition of coal mines in Indonesia & Australia is very expensive.
- The Company's dividend policy is 20% of net distributable profit but in the last two years the dividend payout percentage was lower due to restrictions on dividend payment due to covenants in certain loan agreements.
- Electricity consumption per tonne is reduced due to increased efficiency, conservation measures and improved technology.
- The Tarapur Power Plant is coal based.
- EVA will be mentioned in the Annual Report in future.
- Bandra Kurla Office Building is 50% owned by JSW Steel Limited and 50% by JSW Energy Limited and the cost is approx. ₹800 crores.
- Bengal & Jharkhand are naxalite infested areas but the situation will not improve unless the area is developed and employment opportunities open up for the poor people of these regions. JSW Steel is one of the Companies ready to take advantage of the situation and use the large deposits of raw material available in these regions.
- The Company is prepared for the new 3 Legislations (Direct Tax code, GST, IFRS).

- Steel Production process of JSW Steel is modern and energy efficient than the competitors that is the reason for the Green Steel campaign.
- The Company's policy on CSR spent is 1.5% of its net profit.
- China is a large steel producer and their production is 10 fold more than India. Chinese Government is against exporting low value products and has recently withdrawn the export debate on steel products. The impact is positive for India and the Company.
- JSW Steel is always opposed to export of Iron Ore without any value addition.
- The Annual Report will be printed next year onwards in a bigger font in consideration of the request of certain shareholders.
- Carbon Credit earnings are for 10 years. The earning for each year will differ depending on the quantum or price of carbon credits.
- The investment in JV Companies will not initially yield profits but eventually it will turnaround and support the parent company in its expansions.
- ESOP issue to employees are quite marginal and there is no impact on Earnings Per Share as there is no fresh issue of shares involved.
- Earth Care Awards were instituted jointly with the Times of India Group to encourage more energy efficient Companies to come up and also to educate people about energy efficiency in a bid to arrest the global warming.
- Impact on profitability due to fuel price hike is only on account of increased freight charges on the raw material and finished goods movement.
- The Company has exposure in foreign currency due to large export, imports and foreign currency loans, so the fluctuation in foreign currency will impact the profitability.
- There is no provision in the Companies Act to re-issue the forfeited shares. After sending reminders for the final call money certain shareholders made payments and balance shares held by others have been forfeited for non payment. It is unfair to the shareholders who paid promptly, if these forfeited shares are reissued to the shareholders who have not paid the money due.
- There is no shareholding proposed by JSW Steel in JFE Steel Corporation currently as there is not much growth in Japan.

After replying to the queries, the Chairman then requested any member present to propose and any member to second the resolution.

Mr. H.L.Savani proposed and Mr. Arvind Vyas seconded the resolution.

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

8. TO CONFIRM THE PAYMENT OF DIVIDEND ON THE 11% 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 confirm payment of dividend on the 11% Cumulative Redeemable Preference Shares of the Company:

"RESOLVED THAT dividend at the stipulated rate of 11% per annum for the Financial Year 2009-10 paid upto the date of redemption of the 11%

Cumulative Redeemable Preference Share (11% CRPS) of ₹10 each of the Company (08.03.2010), to the CRPS holders, be and is hereby confirmed”.

Mrs. Homa Pourdehi proposed and Mr.H.L.Savani seconded the resolution.

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

9. TO DECLARE DIVIDEND ON THE 10% CUMULATIVE REDEEMABLE PREFERENCE SHARES OF THE COMPANY:

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 10% Cumulative Redeemable Preference Shares of the Company:

"RESOLVED THAT as recommended by the Board of Directors in its meeting held on 03.05.2010, dividend at the stipulated rate of Re. 1 per 10% Cumulative Redeemable Preference Share (10% CRPS) of ₹ 10/- each of the Company be and is hereby declared for the Financial Year 2009-10 and that the said dividend be paid out of the profits of the Company to all the 10% CRPS holders whose names appear in the Register of 10% CRPS holders on 16.06.2010”.

Mr. N.V.Zhaveri proposed and Mr. Aloysius Mascarenhas seconded the resolution.

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

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 03.05.2010, dividend at the rate of ₹ 9.5/- per equity share of ₹ 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 16.06.2010.”

Mr. Joseph Martins proposed and Mrs. Asha Latha Maheshwari seconded the resolution.

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

11. RE-APPOINTMENT OF MRS. SAVITRI DEVI JINDAL, AS DIRECTOR:

As this item related to the re-appointment of Mrs. Savitri Devi Jindal, as Director, Dr. S.K.Gupta, Director at the request of Mr. Jindal, took the chair and conducted the proceedings.

Dr. S.K.Gupta, moved the following resolution as an **Ordinary Resolution**, relating to Item No. 5 of the Notice, that is, the re-appointment of Mrs. Savitri Devi Jindal as a Director of the Company:

“RESOLVED THAT Mrs. Savitri Devi Jindal, who retires by rotation and being eligible offers herself 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. Harshad Kesharuwala proposed and Mr. H.T. Vora seconded the resolution.

On being put to vote by Dr. S.K.Gupta on a show of hands, the resolution was passed unanimously.

Dr. S.K.Gupta vacated the chair and Mr.Sajjan Jindal conducted further proceedings after resuming the chair.

12. RE-APPOINTMENT OF MR. ANTHONY PAUL PEDDER, 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. Anthony Paul Pedder as a Director of the Company:

“RESOLVED THAT Mr. Anthony Paul Pedder, 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. Shobha Mehta proposed and Mr. Dinesh Bhatia 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. UDAY CHITALE, 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. Uday Chitale, as a Director of the Company:

“RESOLVED THAT Mr. Uday 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”.

Mr. Rasen Y Clark proposed and Mrs. Asha Latha Maheshwari 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. Mascarenhas proposed and Mr. Harshad Kesharuwala 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 DR. VIJAY KELKAR AS DIRECTOR:

Mr. Dinesh Bhatia proposed and Mr. Joseph Martins seconded that the following resolution be adopted as an **Ordinary Resolution**:

"RESOLVED THAT Dr. Vijay Kelkar, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 20.01.2010, 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 Dr. Vijay Kelkar 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. TO INCREASE THE BORROWING LIMITS OF THE BOARD FROM ₹ 15,000 CRORES TO ₹ 25,000 CRORES PURSUANT TO SECTION 293(1) (D) OF THE COMPANIES ACT, 1956:.

Mr. Shailesh Mahadev proposed and Mr. Agnihotry seconded that the following resolution be adopted as an **Ordinary Resolution**:

"RESOLVED THAT in supersession of the resolution passed at the Extra-Ordinary General Meeting of the Company held on 27th December, 2007 and pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board"), for borrowing from time to time, any sum or sums of money, on such security and on such terms and conditions as the Board may deem fit,

notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) including rupee equivalent of foreign currency loans (such rupee equivalent being calculated at the exchange rate prevailing as on the date of the relevant foreign currency agreement) may exceed, at any time, the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of the Company and its free reserves shall not at any time exceed ₹ 25,000,00,00,000/- (Rupees twenty five thousand crores only)."

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

17. PAYMENT OF COMMISSION TO NON-EXECUTIVE DIRECTORS OF THE :

Mrs. Ashalatha Maheshwari proposed and Mr. Gautam Tiwari seconded that the following resolution be adopted as an **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 198,309(4) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) and the Articles of Association of the Company and subject to applicable statutory approval(s) including that of the Central Government, if necessary, the Company hereby approves the payment to Non-Executive Directors of the Company (Directors who are neither in the Whole-time employment of the Company or the JSW Group nor a Managing Director) for a period of Five years from the financial year commencing from 1st April, 2010, in addition to the sitting fees and reimbursement of expenses for attending the meetings of the Board and/or Committees thereof, commission, not exceeding in the aggregate, one percent of the net profits of the Company as computed in the manner specified under Section 198(1) of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof and as may be decided by the Board of Directors (which term shall be deemed to include any duly authorised committee thereof for the time being exercising the powers conferred on the Board by this resolution), for each financial year within the ceiling specified above."

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

18. VOTE OF THANKS:

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

Place: Mumbai
Date : 28.07.2010

SAJJAN JINDAL
CHAIRMAN OF THE 16th ANNUAL
GENERAL MEETING

