MINUTES OF THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF JSW STEEL LIMITED HELD ON MONDAY, 25TH JULY 2011 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
MR. JAYANT ACHARYA	DIRECTOR (COMMERCIAL & MARKETING)
MR. ANTHONY PAUL PEDDAR	DIRECTOR
MR. Y. KUROKAWA (ACCOMPANIED BY MR. HIRONORI WATASE - INTERPRETER)	NOMINEE DIRECTOR (JFE STEEL CORPN)
MR.UDAY CHITALE	DIRECTOR & CHAIRMAN OF AUDIT COMMITTEE
DR. VIJAY KELKAR	DIRECTOR
MR. SUDIPTO SARKAR	DIRECTOR
MR. K. VIJAYARAGHAVAN	DIRECTOR

IN ATTENDANCE:

MR. RAJEEV PAI	CHIEF FINANCIAL OFFICER
MR. LANCY VARGHESE	COMPANY SECRETARY

SHAREHOLDERS PRESENT:

312 Shareholders present in person and 238 shareholders represented by 26 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 45 Bodies Corporate holding 50.71% in the Company's paid-up equity share capital, aggregating to ₹113.15 Crores were present and that the Company has received 240 proxies, of which

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238 are valid and 2 are invalid. He further informed that all the Statutory Registers required to be placed before the meeting, are 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.

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

ORDINARY BUSINESS:

6. ADOPTION OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011 ALONG WITH THE AUDITOR'S REPORT AND DIRECTORS' REPORT:

The Chairman requested the shareholders to receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, 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, 2011, 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 Auditor's 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.

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

1. Mrs. Asha Lata Maheshwari, mentioned that this meeting is a landmark meeting as the Company has achieved many milestones like acquisition of Ispat Industries, acquisition of Coking Coal assets in USA and Technological Collaboration Agreement with JFE Steel Corporation, Japan. She also mentioned that these developments have helped in improving the growth of the Company as well as enhancing the value of shareholders. She praised the Chairman by way of "Shayari" and "Poems" for his excellent leadership.

She congratulated the Company Secretary and the Secretarial team for the excellent and informative balance sheet. She also appreciated the management for giving the plant panorama in the last page of the Annual Report.

She gave her insight of the Balance Sheet as follows:

At such a challenging business situation, performance is encouraging as Gross turnover has grown by 29% and Net turn over by 27%. EBIDTA stood at ₹4,856 crores, PAT at ₹2,011 crores and Earnings Per share at ₹83.83(consolidated). Dividend declared is 122.50%.

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 appealed to the Chairman for a bonus issue.

She congratulated the recipients of various awards, especially Mr. Seshagiri Rao, Jt. Managing Director & Group CFO for receiving **"the Best Performing CFO in Metals & Commodities Sector".**

She raised the following Queries:

- Are there any plans to split the shares?
- What is the expected growth in turnover and profitability during the current year as in Steel Sector the demand and price realisations are very high?
- Looking at the Foreign Exchange earning for the FY 2010-11 which is ₹3412 crores, what will be the Foreign Exchange earning for this fiscal?
- What will be the capex target for the next 2-3 years?
- What will be the means of finance for the capex? Are there any plans for rights issue which is like a mini bonus to the Shareholders?
- What will be the production capacity after implementation of all ongoing projects and the ranking of the Company in India?
- What will be the percentage of value added products in total sales?

She appreciated, the Chairman, Executives and Employees for their dedication and contribution towards the growth of the Company.

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

2. Mr. Tamal Kumar Majumder stated that in the fiscal 2010-11, the Company has declared satisfactory results and the growth of crude steel production is 7% in first quarter of 2011-12 in comparison to the corresponding quarter. In this context he sought certain clarifications:

   He quoted Dr. Vinod Nowal's report to the media as below:

   " i. Bellary plant at the level of 7mtpa steel making capacity requires 45,000 tonnes of iron ore per day but the availability is around 20,000 tonnes per day and at 10mtpa capacity, the requirement will go upto around 67,000 tonnes per day but the availability of

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Iron Ore may go down depending on the report of the Committee appointed by the Supreme Court for survey of 55 mines.

ii. Buying iron ore from Orissa is not viable due to higher transportation cost.

iii. Low grade iron ore is available from Chitradurga and Tumkur Mines at Chinese Price levels."

In connection to the above statements, he wanted to know:

- What is the contingency plan of the Company with respect to Raw Materials?
- Whether production capacity will fall below 7mtpa level due to the undue circumstances?
- Whether profitability will be affected due to depreciation of idle plants, non-availability of raw materials and higher cost of raw materials?
- Whether the Company is planning to purchase raw materials from JFE Steel Corporation as JFE has increased its stake upto 8.4% in Brazilian National Mineral SA Mombasa and their share of raw material from these mines will be 25.78%?

Mr. Majumdar further stated that the infusion of ₹2,157 crores into Ispat Industries Limited by way of Preferential allotment has shown results in the Jan- Mar 2011 quarter, wherein the interest costs have reduced and net profit is shown. He cited the Chairman's message to the analysts at the time of acquisition of Ispat Industries Limited, as follows:

"a. Non-availability of finance at a cheaper rate and lack of integration were the problems with Ispat.

b. We are confident of turning around Ispat within one year

c. The management will invest in Coke Oven, Pelletisation Plant and Power Plant in Ispat resulting in complete integration which will graduate to a profitable steel capacity".

In this regard, he sought the following clarifications:

- When will Ispat be able to absorb its entire accumulated loss?
- What is the target time to refinance the entire loan of Ispat?
- What will be the impact on JSW Steel's interest cost due to this acquisition?
- What will be the total investment in the various projects at Ispat?
- Whether JSW Ispat Steel Limited will set up a new power plant or will complete the existing power project?
- What will happen to the projects signed by the previous management of Ispat with various State Governments?
- Is there any possibility of merger of Ispat with the Company?

He articulated that it is gratifying to note that the Company has successfully entered into a strategic collaboration with JFE Steel Corporation, whose crude steel production for 2010 is 31.20 mtpa and ranked 8th globally. He mentioned that JFE's investment of ₹5,100 crores has helped the Company to reduce its interest cost substantially.

In connection with this, he wanted to know:

- What is the financial impact on the Company for JFE's technical assistance in the field of operation, energy efficiency and environment?
- Whether both the Companies have started jointly providing automotive customers with services including application engineering and product development?

He also raised the following queries such as:

i. Whether any claim has been received from Income Tax authorities after the search and seizure operation?
ii. Whether any conversion of FCCBs is possible during the current financial year?
iii. Is there any possibility to convert the existing FCCBs within 21.06.2012 at a conversion price of ₹ 953.40/- ?
iv. Whether the promoters will be able to convert the warrants issued to the promoters within December 15, 2011?
v. What is the present position of 5 patents filed by R & D team during 2010-11?
vi. Provision for diminution in the value of investments to the tune of ₹62.12 crores given in the balance sheet, what are these investments?
vii. Whether the vision of opening 600 JSW Shoppes by 2015 and sales of 7.2 mn tonnes of steel annually through these Shoppes is achievable or not?
viii. What will be the impact on the Company due to the expected increase in the interest rate by RBI?

He concluded by saying that under the leadership of Mr. Jindal the Company will reach greater heights.

3. Mr. Suresh H Shewde expressed that the timings of the meeting clashes with other Companies' meetings. He also expressed displeasure about the dividend payout ratio. He wanted to know:
   i. How many copies of annual report were printed and the cost of printing?
   ii. When will the dividend amount be credited to the shareholders accounts?

   He requested the Chairman to consider a buy back of shares since share price movements are not very attractive.

4. Mr. Harshad Kesharuwala, appreciated the Chairman for the acquisition of Ispat Industries Limited and stated that the name change to JSW Ispat Steel Limited will give confidence to shareholders to purchase its shares. He requested the Chairman to consider an issue of "Differential Voting Rights Shares" to increase the share capital base. He suggested to explore the possibility of merging Ispat with the Company. He appreciated Mr. Lancy Varghese & team for getting the Annual Report printed on ECO- Friendly paper.

5. Mr. Anil Parekh – Appreciated the Company Secretary and his team for a detailed annual report with lots of facts and figures. He welcomed

the JFE Nominee Director on the Board and felt that his knowledge and expertise will be beneficial to the Company. He also felt that the dividend payout percentage could have been rounded up to 125%. Mr. Parekh congratulated the recipients of various awards and accolades. He also congratulated the Secretarial Team for providing data such as geographical distribution of shares, dividend history etc., in the Corporate Governance Report. He raised the following queries:

i. What will be the cost of commissioning of a plant of the same size of Ispat?
ii. What are the reserves available in Chile Iron Ore mine?
iii. How much will be the revenue added to the Company after completion of all ongoing projects?
iv. What is the order booking position?
v. What is the status of Search & Seizure raid by Income Tax Authorities?
vi. Whether the Company will keep investing in stock and securities in the coming years also?

6. Mrs. Homa Pouredehi, praised the Company for the rapid expansions and growth in-spite of facing several challenges. She wanted to know:

- What is the ground reality on availability of coal & whether the Company's self sufficient?
- Why coal is being procured from abroad instead of from India?
- What is the mining policy of Karnataka?
- What is the status of current litigations going on in Supreme Court?
- What is the status of acquisition of Bellary Steel plant?

She complimented the Chairman for appointing and retaining the best talents. She concluded by wishing the Company all the best.

7. Mr. Beruz Feramroz Pouredehi- Sought the reason for the consolidated EPS having gone up from ₹83.61 in the previous year to ₹84.56 in the current year and why standalone EPS has gone down from ₹106.34 in the previous year to ₹97.17 in the current year. He expressed happiness to note that the interest burden has come down to ₹695.18 crores from the previous year's ₹858.92 crores. He thanked JFE's Nominee Director for attending the meeting and stated that JFE is a reputed international company, so the Collaboration with JFE will be beneficial to the Company. He wished the Company all the best.

8. Mr. Joseph Martins - expressed happiness to stand in front of qualified and eminent leaders sitting on the dais. He mentioned that the shareholders will always remember the plant visit to Vijayanagar Works. He praised the Chairman for his dynamic leadership and for achieving an important milestone in the Company's history in this year by various acquisitions and collaborations. He stated that as an analyst of the Company, he admires the Company's emergence as one of the best steel making Companies in the World. He also stated that JSW Steel & Ispat together will enjoy a superior position in the Steel Sector and will play an important role in India's growth story. He wished the Company all the best and prayed God for blessings on the Company and its leaders.

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9. Mr. Hari Ram Choudhary expressed that the financial results of the Company is satisfactory. He mentioned that since the net profit is only 9.5% of the total sales, there is scope for improvement in the current year. He stated that the Government of India is emphasizing on infrastructure facilities in this year, so the demand for steel will increase, so also the profitability. He appreciated the Company Secretary for sending the Annual Report well on time and congratulated the recipients of various awards and accolades.

   He wanted to know:

   i. What will be the impact on the profitability of the Company during 2011-12?
   ii. Which are the companies that JSW Steel is planning to acquire during the year 2011-12?
   iii. Whether the strength of the building will be affected by use of low weight structural steel?
   iv. How many staff will be recruited during 2011-12?
   v. Whether solar energy is being utilized in any of the plants of the Company?
   vi. Whether rain-water harvesting facility has been installed in any of the plants of the Company?
   vii. Are there any plans to make an IPO of any of the subsidiaries of the Company?
   viii. How many meetings did the Independent Directors have during the year?

   He suggested that CSR spending amount should be mentioned in the Annual Report and that atleast 2% of the net profit should be spent for CSR purposes. He was of the opinion that dividend payout percentage should be 25% of the profit as against the dividend payout percentage of only 16% in the current year. He appealed to the Chairman for a bonus of 3:1 stating that it is justified looking at the Company's share capital, revenue and reserves. He also requested for a plant visit to Tarapur. He wanted to know how many shareholders have written to the Company for a physical copy of annual report, as part of the "Green Initiative".

   He also suggested that henceforth the Annual General Meeting should be scheduled during 1st week of July or 1st week of August instead of end of July as there are lots of meetings during the last week of July.

   He concluded by wishing the Chairman that all his dreams may come true.

10. Mr. Michael Martins, appreciated the Management for the excellent performance of the Company, for its meaningful vision, mission and core value statements, the inspiring quote given on page 1 about the founder Mr. O.P.Jindal, for the dividend payment of 122.50%, Earning Per Share of ₹96.33(Standalone-diluted), PAT ₹2,011 crores, for the energy efficiency measures, Research & Development efforts etc.,

    He also appreciated the Chairman for the technical collaboration with JFE Steel Corporation and also for the initiatives taken in CSR activities to empower the village women. He wished the Company all the best.

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11. Mrs. Sobhana Mehta, expressed her good wishes to Mrs. Savitri Devi Jindal, the Chairperson, Dr. S.K.Gupta and ICICI Nominee Director, Mrs. Zarin Daruwla. 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 Financial Highlights, Panorama of Blast Furnance 3 & 4 and the colorful cost & profit graph.

    She requested the Chairman for a Bonus issue and stated that the Balance sheet is incomplete without a bonus issue. She congratulated the Chairman, the Board and all the employees for the excellent performance of the Company, good dividend and for the fully packed eventful year. She stated that looking at an EPS of ₹96, the dividend payment could have been better than what is declared.

    She raised the following queries:
    - What is the cost of US coking coal assets acquisition?
    - What is price of acquisition of majority stake of 45.53% in Ispat Industries Limited?
    - What is the cost of West Bengal Project?
    - What is the order booking position?
    - What is the Economic Value Added (EVA) position?

    She suggested that EVA should be mentioned henceforth in the Annual Report.

    She expressed that looking at the level of National and International expansions, the future of the Company will be bright. She congratulated the recipients of various awards, especially Mr. Seshagiri Rao.

    She wished the Chairman and the Board, happiness, success, good health and best wishes for the ensuing festivals.

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

12. Mr. Dinesh Lakhani, complained that upon his request for the Balance Sheet of the subsidiaries, he has received Balance Sheet of only 20 companies out of 33 and in some cases the Directors' Report and Auditors' Report were not available. In view of majority of the subsidiary companies making loss, he wanted to know, what is the total investment in the form of equity, guarantees and loans in these Subsidiary Companies and what is the return?

    He mentioned that following a compliant to the MCA regarding too many subsidiaries in many Companies, the Ministry of Corporate Affairs has made it mandatory to limit the subsidiaries of NBFC companies.

    He also raised certain queries such as:
    i. What is the status of Income Tax raid?
    ii. What is the price of buy-back of FCCB Bonds? Where do these expenses get accounted in the Balance Sheet?

He expressed his concern on the acquisition of majority stake in Ispat Industries Limited by investing to the tune of ₹2157 crores following the Share Purchase Agreement. He stated that this deal with Ispat has not gone down well even with the investors, which is reflecting in the share price of the Company before and after this deal. He also commented on the market speculation about merger of Ispat with JSW Steel and wanted to know whether any such move is being planned in the future. He also mentioned that since he is not supporting the dealings of the Company with Ispat, he would vote against the resolutions for adoption of Annual Accounts and the declaration of dividend.

He stated that a couple of years of ago when he had raised the issue of annulment of forfeited shares, Mr. Sajjan Jindal had promised to consider the annulment of forfeited shares, if it is legally permitted. He complained that nothing has been done in this regard and opined that Annulment is legally permissible. He requested that the Management should allow shareholders who wish to make the final call money payment now and get their shares reissued.

He expressed that the shareholders value has not enhanced since the time of IPO, even though issuance of various preferential allotments and FCCBs has taken place, so to benefit the shareholders, the Management should consider a Bonus or a Rights issue. In connection with the promoters' holding having reduced to 37.71% from 45%, FII's from 31.86% to 24.53% and increase in FBC holding from 4.39% to 18.47%, he raised the following queries:

- Whether FBC refers to Foreign Bodies Corporate?
- What is the upfront percentage paid by the promoters at the time of allotment of 1,75,00,000 warrants, 25% or 10%?
- Whether the promoter will convert these warrants at the rate of ₹1,210/- per equity share before the due date of conversion i.e. within December 15, 2011, even if the share price remains at the current level?

He also gave some insight on the Balance Sheet as below:

Net turnover is up by 27%, Profit After Tax has marginally decreased from ₹2,022.74 crores to ₹2,011 crores, dividend has increased to 122.50%, which is 16% of the net profit and better than last year's 10% dividend payout. He felt that looking at the performance of the Company, the dividend payout ratio is substantially very low. He also mentioned that even though Net worth has increased from ₹9,427 crores to ₹16,946 crores, return on networth was lower at 15% and inspite of increase in loans from ₹11,586 crores to ₹11,952 crores, the interest burden has come down to ₹695.18 crores from ₹858.92 crores, He also mentioned that investments are up by 132%.

In connection with the Balance Sheet, he sought the following clarifications:

- What is the reason for decrease in interest burden?
- What returns are expected from investments?

- To whom have the loans and advances been given?

He expressed concern over the Company's investments in West Bengal keeping in mind the problems faced by Tata in Singur, West Bengal.

He concluded by requesting the management to take measures to improve the market capitalization of the Company.

13. Mr. N.V.Zaveri – commented on the low dividend payout ratio of 16% and felt that it ought to have been around 25% to 30% of the net distributable profit.

    He wanted to know:

    i. Whether the Company's iron ore requirement have been met by captive Mines?
    ii. Whether the recent order of the Supreme Court about mining ban in Bellary affects the Company's iron ore supplies?
    iii. Who are the other manufacturers of Auto grade Steel in India?
    iv. What is the import quantity of Auto grade Steel?
    v. In connection with the issuance of GDRs to JFE Steel Corporation, he wanted to know:
        - What will be the price of conversion of the existing GDRs issued to JFE?
        - Whether the conversion price of GDRs is fixed based on SEBI formula?

    vi. What is the time period for turn around of Ispat Industries debt burden?
    vii. How is the working of the Company in the first quarter of 2011-12 and whether Steel prices are remunerative?

    He expressed his displeasure over the Green Initiative of the Ministry of Corporate Affairs. He opined that it is a wrong decision which does not take into account the ground realities because ultimately the shareholders will not receive the Annual Report.

14. Mr. Aspi Bhesania, congratulated the Management for the excellent results. He sought the following clarifications:

    - What is the reason for decline of EBIDTA margin?
    - What is the percentage of procurement of coal from domestic and international market?
    - Whether the Company has any plans to delay expansions & investments in Vijayanagar Works as well as Bengal due to shortage of Iron Ore?
    - When are the subsidiaries expected to turnaround?
    - Is there any provision to redeem the cumulative preferential shares before the maturity since they carry a high coupon rate?

    He suggested that the investment details and market value of the investments should be given in the Balance Sheet. He also suggested that the Company should increase its stake in JSW Ispat Steel Limited and make it a subsidiary.

15. Mrs. Celestine Mascarenhas, welcomed the Chairman and all the Directors on the dias especially the foreign nationals. She mentioned that her association with JSW Steel is since the time of Jindal Iron Steel Co. and that Jindal brand is very important & special for her. She expressed happiness over the good dividend and the current market capitalization from the level of ₹ 14/- per share.

    As per her the only alarming situation is the debt and the rise in inflation and wanted to know how the Company will de-risk the price inflation.

    She praised the Chairman for creating value for the shareholders, employees and the society. She appealed to the Chairman to safeguard the interest of Ispat shareholders and expressed her faith in the Chairman to turnaround Ispat soon.

    She believed that the Joint Venture with JFE Steel Corporation will be fruitful to the Company. She concluded by supporting all the resolutions.

16. Mr. Shailesh Mahadevia congratulated the Board Members for the excellent results and exhaustive Annual Report. He appreciated the management for revealing all the information in the Annual Report, its transparency in every aspect of business and especially on the status report of Income Tax search and seizure operation. He also appreciated the Chairman for the organic & in-organic growth, growth of the Company horizontally and vertically, increase in production of value added products.

    He wanted to know:

    i. What will be the additional carbon credits earnings upon commissioning of captive power plant and at 10mtpa steelmaking capacity?
    ii. What is the saving by consumption of captive power viz a viz purchase from market?
    iii. What will be the percentage of value added products at 40mtpa level crude steel production as well at the current level?

    He stated that JSW Steel should bring back the glory of Vijayanagar Empire. He suggested that the Company should increase its CSR spending and safeguard the environment.

    He presented the Chairman a book titled "Vanshobha".

17. Mr. Zahur Maniar, complained that he did not receive the Annual Report. He congratulated the Management for the various awards won, for the various collaborations & acquisitions and for the CSR activities. He ended by reciting a few famous quotes and confirming that he supports all the resolutions put up for approval.

18. Mr. H.L. Sanghvi felt that a better dividend could have been declared looking at the EPS. He also felt that the Management should look into issuing some kind of corporate benefits to the existing Shareholders.

19. Mr. Naishadh Pande, wanted to know if it's possible to turnaround Ispat Industries within one year as stated by the Chairman at the time of acquisition. He suggested that in order to avoid repetitive questions, the Chairman should reply to the questions immediately after they are raised by the shareholders.

20. Mr. Ramesh Trivedi, congratulated the Management for the successful acquisition of Ispat Industries Limited. He wanted to know the following in connection with outstanding cumulative preferential shares of .01% at the time of acquisition:

    - When will the shares get converted?
    - Whether the Company's stake will get diluted to below 49.30% level after the conversion?
    - What is the conversion ratio?

21. Mr. P.K.Agnihotry, expressed his happiness to see the improved performance of the Company and for the good dividend. He felt that shareholders should be compensated by way of interim dividend and other corporate benefits, as the share price performance is not very good. He also raised doubt about the future of steel sector due to decline in demand of consumer goods like automobiles.

The Chairman thanked the Shareholders for their enthusiasm to know the affairs of the Company. He then proceeded to respond to their queries as follows:

- Expected growth in the current year is around 40% in crude steel production from last years 6.5mtpa to 9mtpa and expected export sales is 15 to 20% of sales.
- Investment target for the next 3 years is ₹15,000 crores.
- Installed capacity at current level is 11mtpa for the Company and 14.3 mtpa including JSW Ispat Steel Limited.
- Stated goal of the Company by 2020 is to be a 40 mtpa crude steel manufacturer in India.
- 50% of the Company's production is utilised for producing value added products such as Cold Rolled Steel, Auto grade Steel, Colour Coated Steel etc.,
- The Iron Ore mining issues are pending in Supreme Court and the matter is sub-judice. However JSW Steel's production is currently not affected by these issues as the Company is able to source its requirements from Chitradurga mines.
- West Virginia mines are at exploration stage.
- JFE is not providing any Iron Ore to JSW Steel.
- The acquisition of Ispat is a strategic fit for the Company since it is located in the same region of the Company's downstream units and is close to Mumbai, which is a good steel market. Also Ispat's plants have good technology.
- Accumulated loss of JSW Ispat Steel Limited is very huge and it will take years to absorb these losses.
- JSW is hopeful to improve the performance of JSW Ispat Steel Limited within one year as stated at the time of acquisition.
- JSW will be going ahead with all the capex plans at Ispat such as setting up of pellet plant, coke ovens, power plant etc.,

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- There are no plans at present to merge Ispat with JSW Steel Limited.
- Collaboration with JFE is a significant event and a big milestone in the history of JSW Steel Limited. There is great demand in auto grade steel in India and very few Companies manufacture this speciality steel. The expected demand for automobile in the country is projected at 10 million tonnes by 2020, so JSW Steel will be a leading steel company in India with value added products in its kitty.
- Outstanding FCCBs which are due for redemption in June 2012 will be either converted or redeemed as per the terms of issue.
- Preferential warrants issued to promoters will be subscribed within the time frame.
- Company has filed 5 patents and 4 more patents are expected to be filed.
- Investments to the tune of ₹62 crores written off relate to Mozambique coal mines due to poor quality of coal found after drilling and UK Service Centre closure following the 2008 Global financial crisis.
- JSW Shoppe is a step to promote the retail sale of steel. Currently due to the different channels and intermediaries, the prices of the products go up by the time it reaches the consumer. The purpose of JSW Shoppe is to reach the consumers directly and JSW Steel has already opened over 200 Shoppes all over India and is expected to open 600 Shoppes by 2015.
- The cost of printing the Annual Report is ₹13.68/- per copy.
- The dividend will be credited on 29th July 2011 to the ECS account of the shareholders.
- There is no plan for buy back of shares as the Company presently requires finance to fund its huge expansion programmes.
- The suggestion for issue of shares with differential voting rights will be examined.
- Suggestions for more dividend and Bonus issue will be put up to the distinguished Board for its consideration.
- Since the Company is not a project based Company, the order book position is not significant.
- Bellary Steel acquisition - The matter is in Supreme Court.
- Suggestions for giving additional information such as EVA, water harvesting programmes of the Company etc., in the Annual Report will be considered next year.
- Reduction in EBIDTA margin is due to escalation of raw material price and reduction in price of final products, as per trend in the global market.
- Debt equity ratio of the Company is 0.84 (consolidated).
- Company will not get impacted significantly by the expected interest rate increase as its loans are long term in nature and part of these are in Foreign Currency.
- The Company continues to receive Carbon Credits every year.
- Details of meetings of Independent Directors are given on page 44 of the Annual Report.

Mr. Jindal then requested the Jt. Managing Director & Group CFO, Mr. Seshagiri Rao M.V.S, to address some of the issues raised by the shareholders.

Mr. Seshagiri Rao, JMD & Group CFO replied to the queries as follows:

- Consolidated EPS is better than standalone EPS due to improvement in consolidated profits as compared to last year on account of reduction in losses of some of the overseas subsidiaries.
- No notice or claims have been received from the Income Tax Department so far.
- The proposed investment in US Coal mines including acquisition and development cost is 100 Million US Dollars which will be spent for increasing the capacity of these mines to 3mtpa.
- The cost of Ispat acquisition including open offer is around ₹2,357.11 crores (₹2,157 crores towards preferential issue and ₹200.11 crores towards open offer).
- Carry forward book loss in JSW Ispat Steel is ₹2,800 crores.
- Investments in subsidiaries are towards backward integration and forward integration strategy. Investments in mines take longer time to give returns. These investments in subsidiaries are long term strategic investments and will not initially yield profits but eventually it will turnaround and support the Company in improving its profitability. As the production from Chile Mines & USA Mines has started, these subsidiaries results are showing improvement.
- As stated by the Chairman, JSW is confident to turnaround Ispat as per target and the progress is visible in the first quarter results which shows a net profit of ₹76 crores.
- The details of interest expenses have been given in schedule 17 on page 70. Gross interest cost has come down to the tune of ₹ 50 crores on account of lower weighted average interest cost and also due to change in debt mix.
- Annulment of forfeiture of shares is permitted only in the event where the shareholder has paid the call money without proper details and as such the amount remains un-appropriated. If any of the shareholders give proof to the Company for having paid the call money such cases can be considered, otherwise it is not legally possible to annul.
- At the time of financial crisis in the international market, the Company repurchased 15.36% of the remaining outstanding FCCBs at an average discount of around 50% and the profits of this transaction have already been accounted in the Balance Sheet of 2008-09 & 2009-10.

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

Mrs. Ashalata Maheshwari proposed and Mr. H.D.Sanghvi seconded the resolution.

The Chairman then put the above motion to vote.

Mr. Dinesh Lakhani expressed his dissent to the resolution.

On a show of hands the resolution was declared as passed.

8. TO CONFIRM THE PAYMENT OF DIVIDEND ON THE 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 confirm payment of 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 16.05.2011, dividend at the stipulated rate of ₹1 per 10% Cumulative Redeemable Preference Share (10% CRPS) of ₹10 each of the Company be and is hereby declared for the Financial Year 2010-11 and that the said dividend be paid out of the profits of the Company to all those CRPS holders holding Shares in Physical mode whose names appear in the Register of Members as on 15.07.2011 and to all those CRPS holders holding shares in electronic form as at the closing hours of business on 12.07.2011 as per the details furnished by the Depositories for this purpose".

Mr. Hari Ram Choudhary proposed and Mr.H.L.Savani seconded the resolution.

The Chairman then put the above motion to vote.

Mr.Dinesh Lakhani expressed his dissent to the resolution.

On a show of hands the resolution was declared as passed.

9. TO DECLARE DIVIDEND ON EQUITY 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 Equity Shares of the Company:

"**RESOLVED THAT** as recommended by the Board of Directors, in its meeting held on 16.05.2011, dividend at the rate of ₹ 12.25/- 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 equity shareholders holding Shares in Physical mode whose names appear in the Register of Members as on 15.07.2011 and to those equity shareholders holding shares in electronic form as at the closing hours of business on 12.07.2011 as per the details furnished by the Depositories for this purpose".

Mrs. Celestine Mascarenhas proposed and Mr. N.V. Jhaveri seconded the resolution.

The Chairman then put the above motion to vote.

Mr.Dinesh Lakhani expressed his dissent to the resolution.

On a show of hands the resolution was declared as passed.

CHAIRMAN'S INITIALS

10. RE-APPOINTMENT OF MR. SESHAGIRI RAO MVS, AS DIRECTOR:

The Chairman moved the following resolution as an **Ordinary Resolution**, relating to Item No. 4 of the Notice, that is, to re-appoint Mr. Seshagiri Rao MVS, as a Director:

"**RESOLVED THAT** Mr. Seshagiri Rao, 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. Shobhana Mehta proposed and Mr. Aspi Bhesania 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".

Mr. H.D.Sanghvi 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.

12. RE-APPOINTMENT OF MR. JAYANT ACHARYA, 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. Jayant Acharya, as a Director of the Company:

"**RESOLVED THAT** Mr. Jayant Acharya, 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. S.P.Mahadeviya proposed and Mr. Harshad Keshruwala seconded the resolution.

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

CHAIRMANS INITIALS

13. RE-APPOINTMENT OF MR. KANNAN VIJAYARAGHAVAN, 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. Kannan Vijayaraghavan, as a Director of the Company:

"**RESOLVED THAT** Mr. Vijayaraghavan, 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. Joseph Martins proposed and Mr. Hari Ram Choudhary 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. Kirit Shah seconded the resolution.

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

SPECIAL BUSINESS:

15. TO APPROVE THE INCREASE IN THE CEILING ON REMUNERATION PAYABLE TO MR. SESHAGIRI RAO MVS W.E.F 01.04.2011:

Mrs. Shobhana Mehta proposed and Mrs. Celestine Mascarenhas seconded that the following resolution be adopted as an **Ordinary Resolution**:

"**RESOLVED THAT** in partial modification of the resolution passed at the Fifteenth Annual General Meeting of the Company held on 06.07.2009 and subject to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the increase in the ceiling on Remuneration payable to Mr. Seshagiri Rao M.V.S w.e.f. 01.04.2011, for the remainder of his tenure i.e. upto 05.04.2014, from ₹ 28,00,000/- per month to ₹50,00,000/- per month, with specific authority to the Board of Directors of the Company to fix, alter or vary the remuneration within the said ceiling

of ₹50,00,000/- per month, as may be agreed to between the Board of Directors and Mr. Seshagiri Rao M.V.S."

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

16. <u>TO APPROVE THE INCREASE IN THE CEILING ON REMUNERATION PAYABLE TO DR. VINOD NOWAL, W.E.F 01.04.2011:</u>

Mrs. Beruz Pouredehi proposed and Mr. Michael Martins seconded that the following resolution be adopted as an **Ordinary Resolution**:

"RESOLVED THAT in partial modification of the resolution passed at the Extra-Ordinary General Meeting of the Company held on 26.08.2010 and subject to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the increase in the ceiling on Remuneration payable to Dr. Vinod Nowal w.e.f 01.04.2011, for the remainder of his tenure i.e upto 29.04.2012, from ₹ 25,00,000/- per month to ₹ 50,00,000/- with specific authority to the Board of Directors of the Company to fix, alter or vary the remuneration within the said ceiling of ₹50,00,000/- per month, as may be agreed to between the Board of Directors and Dr. Vinod Nowal."

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

17. <u>TO APPROVE THE INCREASE IN THE CEILING ON REMUNERATION PAYABLE TO MR. JAYANT ACHARYA, W.E.F 01.04.2011:</u>

Mr. Aspi Bhesania proposed and Mr. Zahur Maniar seconded that the following resolution be adopted as an **Ordinary Resolution**:

"RESOLVED THAT in partial modification on the resolution passed at the Fifteenth Annual General Meeting of the Company held on 06.07.2009 and subject to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the increase in the ceiling on Remuneration payable to Mr. Jayant Acharya w.e.f. 01.04.2011, for the remainder of his tenure i.e upto 06.05.2014, from ₹ 18,00,000/- per month to ₹50,00,000/- per month, with specific authority to the Board of Directors of the Company to fix, alter or vary the remuneration within the said ceiling of ₹50,00,000/- per month, as may be agreed to between the Board of Directors and Mr. Jayant Acharya."

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

CHAIRMANS INITIALS

18. VOTE OF THANKS:

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

Place: Mumbai
Date : 23.08.2011

SAJJAN JINDAL
CHAIRMAN OF THE 17thANNUAL GENERAL MEETING

CHAIRMANS INITIALS