MINUTES OF THE SIXTEENTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF JSW ENERGY LIMITED HELD ON THURSDAY, 15TH JULY, 2010 AT 11.00 A.M. AT BIRLA MATUSHRI SABHAGAR, 19, NEW MARINE LINES, MUMBAI – 400 020

DIRECTORS PRESENT:

MR. SAJJAN JINDAL

MR. NIRMAL KUMAR JAIN

MR. LALIT KUMAR GUPTA

MR. SATTIRAJU SESHAGIRI RAO

MR. D.J. BALAJI RAO

MR. C. BHATTACHARYA

MR. P. ABRAHAM

MR. T.R. BAJALIA

Chairman & Managing Director

Vice-Chairman

Jt. Managing Director & CEO

Whole-Time Director

Director

DIRECTOR (Chairman of Audit Committee)

Director

Nominee Director (IDBI Bank)

IN ATTENDANCE:

MR. PRAMOD MENON

MR. RAJKUMAR SHARMA

MR. DEBASISH MOHAPATRA

MR. JAYPRAKASH NAIR

MR. SAMPATH MADHAVAN

Chief Financial Officer

AVP (Finance & Accounts)

AVP (Finance & Accounts)

GM (Finance & Accounts)

Company Secretary

SHAREHOLDERS PRESENT:

113 Shareholders were present in the person and 21 Shareholders represented by Proxy.

1. CHAIRMAN OF THE MEETING:

Mr. Sajjan Jindal, Chairman & Managing Director of the Company chaired the meeting.

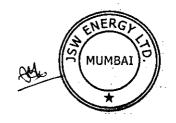
2. WELCOME ADDRESS AND INTRODUCTION OF BOARD MEMBERS:

Mr. Samapth Madhavan, Company Secretary on behalf of the Company, extended a warm welcome to the Shareholders, Members of the Board, Representative of Bodies Corporate, Institutional Investors, and all others present.

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 10 bodies corporate holding 68.55% of Company's paid up equity share capital, aggregating to Rs.1124.25 Crores were present and that the Company had also received 26 proxies out of which 25 were valid and 1 was



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 addressed the shareholders and shared with them his perspective *interalia* about the Indian Power Sector, Company's Performance, the Growth prospectus, Project Progress and aiming to be an Integrated Power Company as also contribution and efforts towards Corporate Social Responsibility. He concluded his speech with acknowledgment to all who had contributed towards the growth of the Company.

6. CORPORATE FILM:

Following the Chairman's Speech, 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 2010 ALONG WITH THE AUDITOR'S REPORT AND DIRECTOR'S REPORT:

The Chairman requested the shareholders to receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, the Profit & Loss Account for the year ended as 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 & Loss Account for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon, be and are hereby considered and adopted."

The Chairman then requested Mr. Sampath Madhavan, Company Secretary to read out the Auditor's Report which was read by the Company Secretary.

The Chairman then invited the Shareholders to raise their queries to the Annual Accounts, Director's Report and the Agenda of the Annual General Meeting, with a request to the members to complete their queries within 3 minutes and to avoid repetition of questions so as to provide an opportunity to all the members who desired to speak.

The Shareholders complimented the Management of the Company for overall performance and for the successful initial public offering of the Company and appreciated efforts of secretarial department for prompt investor services.

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

i) Ms. Asha Lata Maheshwari praised Late Shri O.P. Jindal and Mr. Sajjan Jindal for the vision and hardwork. She congratulated the Chairman, the Vice Chairman and all other Board Members for the overwhelming success of the IPO, excellent performance of the Company during the financial year 2009-10 & 7.5% dividend for the year declared and hoped that in coming years, they would further enhance the Shareholder's Value. She also congratulated the Secretarial Team for making a simple, transparent and good Annual Report.

She raised the following queries:

- i) Status of the various projects undertaken by the Company?
- ii) Company's investment in the expansion plans and means of raising fund?
- iii) Status of Coal Linkages and fuel prices?
- ii) Mr. Sudhir Mehta praised the Secretarial Department for the timely receipt of Annual Report. He also congratulated Chairman and all other Board Members for excellent operational results and expressed his thanks for recommending 7.5% dividend.
- iii) Mr. T. Shanmukhappa stated that there was an urgent need of Electricity everywhere and congratulated the Company for its performance during the year. He also enlightened on the present and future scenario of power generation and its requirement in the Country. He also suggested that if the Company could achieve its target of 11390 MW by 2015 of installed capacity by 2013 itself, than the Company could lead in the sector.
- iv) Mr. Tamal Kumar Majumder raised the following queries :
 - i) Why the average sales realization has decreased during the current year from the previous year and whether the decrease in the fuel cost has also impacted it? What are the figures for sales realization for the June 2010 quarter?
 - ii) The PLF for the last quarter for SBU II was 96.7% and wondered why it was just 93.4% for the whole year and what was the current status of the PLF for SBU II?
 - iii) Why the PLF for the Barmer Unit was just 45.9% during the last year and whether it will increase in the years to come?
 - iv) In respect to the acquisition of South African Coal Mines, what was the cost of acquisition for the Company and the quantity of coal which would be available from the mines?
 - v) In respect to the Joint Venture with Toshiba with 20% equity participation, what were the prospects of the same and where the Company was finding itself when other Companies like Thermax were also in the manufacturing of Critical Boiler Segment?



- vi) How the Company was managing the Ash generated from its power plants?
- vii) What was the status of the MOU with Government of Gujarat and whether Company has any plans to go forward with the project?
- viii) What was the Status of Special Leave Petition pending with Supreme Court in the matter of Karnataka Power Transmission Corporation Limited?
- v) Mr. Hariram Chaudhary praised for the expected commissioning of the Ratnagiri and Barmer Plants during Financial Year 2010-11 and congratulated for the good performance during 2009-10 and the CSR activities undertaken by the Company during the year and hoped for the increase in the EPS in coming years.

He raised the following queries:

- i) Whether Company has any plans to enter into Nuclear Power?
- ii) Whether Company would distribute the electricity generated in Mumbai and what would be the selling price per unit and generation capacity of the Company?
- iii) What is the rate of interest for unsecured loan during FY 2009-10?

He also suggested for the following:-

- i) Results of first quarter should also be given with the Chairman's Speech at the time of AGM so that they have better idea of the Company's performance in future.
- ii) Two pages should be dedicated for the CSR Activities in the Annual Report giving information about the CSR activities undertaken, Name of the other organizations / NGO involved in the projects etc.
- iii) The Deputy Chief Minister, Maharashtra has opened up a forum / column on the internet wherein every person can interact with him and the same activity may be taken up by the Chairman also before any other person does it and becomes the first Chairman to initiate such action.
- iv) Mumbai address should be given for the Karvy Computershare, Registrar and Share Transfer Agent in the Annual Report along with the Hyderabad Address.
- v) Chairman and Vice Chairman should meet the Shareholders before the Annual General Meeting.
- vi) Mr. H.L. Savani pointed out that the font was too small in the Annual Report and was difficult to read. Further the words were in brown colour which was difficult to read and should be printed in black. He stated that the dividend of Re 0.75 was very low considering the EPS of the Company.

He raised the following queries:

i) Why the Company has invested in the Mutual fund?



- ii) He enquired about the status of refund for the amount lying as Unclaimed Share Application Money Refunds and shown on Page 49 of the Annual Report?
- vii) Another shareholder requested for the plant visit to Karnataka if possible and pointed out that the dividend of Re. 0.75 was very less for the FY 2009-10.
- viii) Ms. C.E. Mascarenhas, appreciated the good & informative Annual Report and gave her insight of the balance sheet. She also appreciated the financial highlights given in the Annual Report.

She raised the following queries:-

- i) What were the Company plans to enter into Nuclear Energy and power generation from other alternate sources like wind, solar etc.
- Whether Company has any plans to issue Bonus Share etc. and hoped that in the coming years, Company would declare Bonus shares.
- What was the status of utilization of IPO Proceeds for RWPL Phase II and Jaigad PowerTransco Limited and what was the status of these projects since the utilization of IPO Proceeds was not much for both these projects?
- iv) What was the impact of EURO transactions in Foreign exchange earnings and outgo?
- V) What were the reasons for the increase in interest cost during the financial year 2009-10 and what was the average rate of interest for the entire loans to the Company?
- vi) What was the promoter shareholding in the Company since the Shareholding Pattern was not given in the Annual Report?
- vii) Whether Company had plans to raise fixed deposits?

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

ix) Mr. Beruz Feramroz appreciated the Secretarial team for the quick and fast disposal of the queries raised by the shareholders which was evident from the Annual Report and raised query about the usage of IPO Proceeds & company's plan for utilization of IPO Proceeds and whether Company had any plans to raise the funds by QIP, Rights issue etc.

The Chairman thanked the Members for their comments, suggestions and observations and then replied to the queries of the Members to their satisfaction. After replying to the queries, the Chairman then requested any member to propose and any member to second the resolution.

Ms. Asha Lata Maheshwari proposed and Ms. C. E. Mascarenhas seconded the resolution.

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



8. TO DECLARE DIVIDEND ON EQUITY SHARES:

The Chairman moved the following resolution as an Ordinary Resolution, relating to Item No. 2 of the Notice that is, to declare dividend on the equity shares of the Company:

"RESOLVED THAT as recommended by the Board of Directors, in its meeting held on April 27, 2010, dividend at the rate 7.5% i.e Re 0.75/- per equity share of Rs. 10 each on the paid-up equity share capital of the Company, be and is hereby declared and paid out of the profits of the Company and that the same be paid to all those beneficial owners in respect of the shares held in electronic form as per the data as may be made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on Wednesday, 30th June 2010 and to all those shareholders as at the close of business hours on Wednesday, 30th June, 2010 in respect of the shares held in physical form (after giving effect to the valid transfers in respect of the shares lodged with the Company on or before the close of business hours on Wednesday, 30th June, 2010)."

Mr. Sudhir Mehta proposed and Mr. T. Shanmukhappa seconded the resolution.

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

9. RE-APPOINTMENT OF MR. P. ABRAHAM AS DIRECTOR:

The Chairman, moved the following resolution as an Ordinary Resolution, relating to Item No. 3 of the Notice, that is, the re-appointment of Mr. P.Abraham as a Director of the Company:

"RESOLVED THAT Mr. P.Abraham, 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."

Ms. C.E. Mascarenhas proposed and Ms. Asha Lata Maheshwari seconded the resolution.

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

10. RE-APPOINTMENT OF MR. D.J. BALAJI RAO, AS DIRECTOR:

The Chairman, moved the following resolution as an Ordinary Resolution, relating to Item No. 4 of the Notice, that is, the re-appointment of Mr. D.J. Balaji Rao as a Director of the Company:

"RESOLVED THAT Mr. D.J. Balaji 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."

Mr. H.L. Savani proposed and Ms. Asha Lata Maheshwari seconded the resolution.

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

11. <u>APPOINTMENT OF STATUTORY AUDITORS AND FIXING OF THEIR REMUNERATION:</u>

The Chairman moved the following resolution as an Ordinary Resolution, relating to Item No. 5 of the Notice, that is, the appointment of Statutory Auditors:

"RESOLVED THAT M/s Lodha & Co., 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. Hariram Chaudhary proposed and Ms. C.E. Mascarenhas seconded the resolution.

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

SPECIAL BUSINESS:

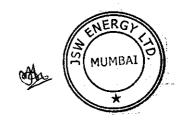
12. APPOINTMENT OF MR. NIRMAL KUMAR JAIN AS DIRECTOR:

The Chairman moved the following resolution as an Ordinary Resolution, relating to Item No. 6 of the Notice, that is, the appointment of Mr. Nirmal Kumar Jain, as a Director of the Company:

"RESOLVED THAT Mr. Nirmal Kumar Jain, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice in writing under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention proposing Mr. Nirmal Kumar Jain as a candidate for the office of Director, be and is hereby appointed as a Director of the Company and that his period of office shall be liable to determination by retirement of Directors by rotation."

Ms. Asha Lata Maheshwari 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 declared carried unanimously.



13. APPOINTMENT OF MR. NIRMAL KUMAR JAIN AS WHOLE-TIME DIRECTOR DESIGNATED AS VICE-CHAIRMAN OF THE COMPANY

The Chairman moved the following resolution as an Ordinary Resolution, relating to Item No. 7 of the Notice, that is, the appointment of Mr. Nirmal Kumar Jain, as a Whole-time Director of the Company designated as Vice-Chairman for a period of 5 years w.e.f. 21.01.2010 and payment of remuneration to him:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 approval of the Company be and is hereby accorded to the appointment of Mr. Nirmal Kumar Jain as Whole-time Director of the Company, designated as Vice- Chairman, for a period of 5 years w.e.f 21.01.2010, upon such terms and conditions as are set out in the draft agreement to be executed with Mr. Nirmal Kumar Jain (a copy of which is initialed by the Chairman of the meeting for the purpose of identification and placed before this meeting), with specific authority to the Board of Directors to alter or vary the terms and conditions of the said appointment and /or agreement including the remuneration which shall not exceed an overall ceiling of Rs. 50,00,000/- per month, as may be agreed to between the Board of Directors and Mr. Nirmal Kumar Jain.

RESOLVED FURTHER THAT the following perquisites shall not be included in the ceiling on remuneration as specified above:

- Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls).
- ii. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity as per the rules of the Company (which shall not exceed one half months salary for each completed year of service); and
- iv. Earned leave with full pay or encashment as per rules of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient, to give effect to this Resolution."

Ms. Asha Lata Maheshwari proposed and Mr. Tamal Kumar Majumder seconded the resolution.

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

14. APPOINTMENT OF MR. LALIT KUMAR GUPTA AS DIRECTOR:

The Chairman moved the following resolution as an Ordinary Resolution, relating to Item No. 8 of the Notice, that is, the appointment of Mr. Lalit Kumar Gupta, as a Director of the Company:

"RESOLVED THAT Mr. Lalit Kumar Gupta, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice in writing under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention proposing Mr. Lalit Kumar Gupta as a candidate for the office of Director, be and is hereby appointed as a Director of the Company and that his period of office shall be liable to determination by retirement of Directors by rotation."

Mr. Maheshwari proposed and Mr. Sudhir Mehta seconded the resolution.

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

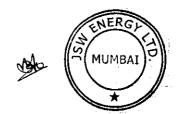
15. APPOINTMENT OF MR. LALIT KUMAR GUPTA AS WHOLE-TIME DIRECTOR DESIGNATED AS JOINT MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER OF THE COMPANY

The Chairman moved the following resolution as an Ordinary Resolution, relating to Item No. 9 of the Notice, that is, the appointment of Mr. Lalit Kumar Gupta, as a Whole-time Director of the Company designated as Joint Managing Director & Chief Executive Officer for a period of 5 years w.e.f. 01.06.2010 and payment of remuneration to him:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded to the appointment of Mr. Lalit Kumar Gupta as Whole-time Director of the Company, designated as 'Joint Managing Director and Chief Executive Officer", for a period of 5 years w.e.f 01.06.2010, upon such terms and conditions as are set out in the draft agreement to be executed with Mr. Lalit Kumar Gupta (a copy of which is initialed by the Chairman of the meeting for the purpose of identification and placed before this meeting), with specific authority to the Board of Directors to alter or vary the terms and conditions of the said appointment and /or agreement including the remuneration which shall not exceed an overall ceiling of Rs. 40,00,000/- per month, as may be agreed to between the Board of Directors and Mr. Lalit Kumar Gupta.

RESOLVED FURTHER THAT the following perquisites shall not be included in the ceiling on remuneration as specified above:

 Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls).



- ii. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity as per the rules of the Company (which shall not exceed one half months salary for each completed year of service); and
- iv. Earned leave with full pay or encashment as per rules of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient, to give effect to this Resolution."

Ms. C.E. Mascarenhas 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 declared carried unanimously.

16. INCREASE IN CEILING ON REMUNERATION PAYABLE TO MR. SATTIRAJU SESHAGIRI RAO AS WHOLE-TIME DIRECTOR:

The Chairman moved the following resolution as an Ordinary Resolution, relating to Item No. 10 of the Notice, that is, the increase in ceiling on remuneration payable to Mr. Sattiraju Seshagiri Rao as Whole-time Director of the Company for the period from 01.04.2010 to 30.06.2010:

"RESOLVED THAT in partial modification of the resolution passed at the Thirteenth Annual General Meeting held on 21.09.2007 and at the Fifteenth Annual General Meeting held on 02.06.2009 of the Company 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. Sattiraju Seshagiri Rao as a Whole-time Director of the Company for the period from 01.04.2010 till 30.06.2010 from Rs.1,35,00,000/- per annum to Rs.1,80,00,000/- per annum with specific authority to the Board of Directors of the Company to fix, alter or vary the remuneration within the said ceiling of Rs.1,80,00,000/- per annum, as may be agreed to between the Board of Directors and Mr. Sattiraju Seshagiri Rao.

RESOLVED FURTHER THAT the following perquisites shall not be included in the ceiling on remuneration as specified above:

 Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls).

ii. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

- iii. Gratuity as per the rules of the Company (which shall not exceed one half months salary for each completed year of service); and
- Earned leave with full pay or encashment as per rules of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient, to give effect to this Resolution."

Ms. Asha Lata Maheshwari proposed and Mr. Sudhir Mehta seconded the resolution.

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

17. <u>APPOINTMENT OF MR. SATTIRAJU SESHAGIRI RAO AS WHOLE-TIME</u> <u>DIRECTOR:</u>

The Chairman moved the following resolution as an Ordinary Resolution, relating to Item No. 11 of the Notice, that is, the appointment of Mr. SATTIRAJU Seshagiri Rao as Whole-time Director of the Company for a period of 5 years w.e.f. 01.07.2010 and payment of remuneration to him:

"RESOLVED THAT in supersession of the resolutions passed at Thirteenth Annual General Meeting held on 21.09.2007 and at the Fifteenth Annual General Meeting held on 02.06.2009 of the Company and in accordance with the provisions of Sections 198, 269, 309 and 310 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded to the appointment of Mr. Sattiraju Seshagiri Rao as Whole-time Director of the Company, for a period of 5 years w.e.f 01.07.2010, upon such terms and conditions as are set out in the draft agreement to be executed with Mr. Sattiraju Seshagiri Rao (a copy of which is initialed by the Chairman of the meeting for the purpose of identification and placed before this meeting), with specific Authority to the Board of Directors to alter or vary the terms and conditions of the said appointment and /or agreement including the remuneration which shall not exceed an overall ceiling of Rs. 11,25,000/- per month, as may be agreed to between the Board of Directors and Mr. Sattiraju Seshagiri Rao.

RESOLVED FURTHER THAT the following perquisites shall not be included in the ceiling on remuneration as specified above:

- Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls).
- Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity as per the rules of the Company (which shall not exceed one half months salary for each completed year of service); and

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iv. Earned leave with full pay or encashment as per rules of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient, to give effect to this Resolution."

Ms C.E. Mascarenhas proposed and Mr. Maheshwari seconded the resolution.

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

18. <u>VOTE OF THANKS:</u>

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

Place : Mumbai

Date: 10 - August - 2010

Sd/-SAJJAN JINDAL CHAIRMAN

