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REPORT OF THE BOARD OF DIRECTORS OF JSW STEEL LIMITED ("COMPANY" OR "TRANSFEREE COMPANY") RECOMMENDING THE SCHEME OF AMALGAMATION OF BMM ISPAT LIMITED WITH THE COMPANY AND THEIR RESPECTIVE SHAREHOLDERS

This report is considered and approved by the Board of Directors of the Company ("**Board**") at its meeting held on May 14, 2026 at the registered office of the Company at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 where the following Directors of the Company were present:

Directors present in person / through video conferencing:

- | | |
|--------------------------------------|-------------------------------------|
| 1. Mr. Sajjan Jindal | : Chairman and Managing Director |
| 2. Mr. Jayant Acharya | : Jt. Managing Director & CEO |
| 3. Mr. Gajraj Singh Rathore | : Whole-Time Director & COO |
| 4. Mr. Arun Sitaram Maheshwari | : Director (Commercial & Marketing) |
| 5. Mr. Hiroyuki Ogawa | : Nominee Director, JFE Steel Corp |
| 6. Mrs. Khushboo Goel Chowdhary, IAS | : Nominee Director, KSIIDC |
| 7. Mr. Seturaman Mahalingam | : Lead Independent Director |
| 8. Mrs. Nirupama Rao | : Independent Director |
| 9. Ms. Fiona Jane Mary Paulus | : Independent Director |
| 10. Mr. Marcel Fasswald | : Independent Director |
| 11. Mr. Sushil Kumar Roongta | : Independent Director |
| 12. Mr. Shyamal Mukherjee | : Independent Director |

Leave of Absence: All the Directors were present.

Mr. Sajjan Jindal, Chairman of the Board, chaired the meeting.

1. Background

- 1.1. A meeting of the Board of Directors ("**Board**") of JSW Steel Limited ("**Company**" or "**Transferee Company**") was held on May 14, 2026, to approve the draft Scheme of Amalgamation of BMM Ispat Limited ("**Transferor Company**") with the Company and their respective shareholders under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") ("**Scheme**").
- 1.2. The Scheme provides for the amalgamation of the Transferor Company with the Company and various other matters consequent and incidental thereto.
- 1.3. The equity shares of the Company are listed on BSE Limited ("**BSE**") and the National Stock Exchange of India Limited (collectively referred to as "**Stock Exchanges**"). The 8.90% secured redeemable non-convertible debentures, 8.76% secured redeemable non-convertible debentures, 8.79% secured redeemable non-convertible debentures, 8.35% secured redeemable non-convertible debentures, 8.43% secured redeemable non-convertible debentures and 8.39% unsecured redeemable non-convertible debentures (collectively referred to as "**NCDs**") issued by the Company are listed on BSE. The 3.95% Fixed Rate Senior Unsecured Foreign Currency Denominated Notes due 2027 aggregating to US \$500 million and the 5.05% Fixed Rate Senior Unsecured Foreign Currency Denominated Notes due 2032 aggregating to US \$500 million, issued by the Transferee Company in the International Market are listed on Singapore Exchange Securities Trading Limited.
- 1.4. The Transferor Company is incorporated under the provisions of the Companies Act, 1956. The equity shares of the Transferor Company are not listed on any of the stock exchanges in India.





- 1.5. Pursuant to Section 232(2)(c) of the Act, the Board of the Company is required to adopt a report explaining the effect of the amalgamation on each class of shareholders, key managerial personnel ("**KMPs**"), promoters, non-promoter shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.
- 1.6. Further, pursuant the applicable provisions of Securities and Exchange Board of India ("**SEBI**") Master Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/0000000103 dated July 11, 2025 ("**SEBI Circular**") read with Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("**SEBI LODR**"), the report of the Board of Directors of the Company is required recommending the draft Scheme, taking into consideration, inter alia, the Valuation Report (*as defined hereinafter*), ensuring that the Scheme is not detrimental to the holders of the NCD and comment upon: (i) impact of the Scheme on the holders of the NCDs; (ii) safeguards for the protection of holders of NCDs; and (iii) exit offer to the dissenting holders of NCDs, if any.
- 1.7. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act and applicable provisions of the SEBI Circular read with SEBI LODR.
- 1.8. The following documents were, *inter alia*, placed before the Board:
 - (a) draft Scheme;
 - (b) report of the Audit Committee of the Company dated May 14, 2026;
 - (c) report of the Independent Directors of the Company dated May 14, 2026;
 - (d) valuation Report dated May 14, 2026, issued by M/s. KPMG Valuation Services LLP (IBBI Registration No. IBBI/RV-E/06/2020/115), an independent Registered Valuer, in respect of the equity share exchange ratio in connection with the Scheme ("**Valuation Report**");
 - (e) fairness Opinion dated May 14, 2026, issued by JM Financial Limited (SEBI Registration No. INM000010361), an independent SEBI Registered Category I Merchant Banker ("**Fairness Opinion**") on the fairness of the equity share exchange ratio determined under the Valuation Report in connection with the proposed Scheme; and
 - (f) certificate from M/s. S R B C & Co LLP, Chartered Accountants, (ICAI Firm Registration No. 324982E/E300003), the Statutory Auditor of the Company: (i) certifying the payment/ repayment capability of the Company against outstanding listed Non Convertible Debentures ("**NCDs**") of the Company; and (ii) confirming the accounting treatment stated in the Scheme is in compliance with the accounting standards prescribed under Section 133 of the Act and other generally accepted accounting principles.

2. Rationale of the Scheme

- 2.1. The rationale and the benefits of the amalgamation of the Transferor Company with the Company are as follows:

"The amalgamation of the Transferor Company with the Transferee Company will result in the following benefits:





- a) Both the Transferor Company and the Transferee Company operate in substantially similar lines of business, being primarily engaged in the production, manufacture and sale of steel and allied or iron and steel products in India and other markets, and both maintain steel-producing facilities in the State of Karnataka. The amalgamation is expected to strengthen both, the Transferor Company and the Transferee Company's long products portfolio, augmenting its capacity in segments such as TMT bars and billets that are presently supplied or transacted between the parties, and thereby improving the depth and competitiveness of its overall product offering.
- b) Post effectiveness of the Scheme, the current procurement and off-take arrangements between Transferor Company and Transferee Company will be internalized within a single legal entity, leading to better optimization of raw material flows, inventory levels and production planning, resulting in improved operating efficiencies and margin.
- c) The Transferor Company's steel facility in Karnataka is located within close proximity of Transferee Company's Vijayanagar plant, providing a natural logistical and operational integration opportunity to both the Parties.
- d) The merger will enable the sharing and rationalization of common resources such as operations and maintenance, logistics, utilities, marketing and sales, finance, human resources, information technology and other support functions.
- e) The Transferor Company has environmental clearances in place for 2.10 MTPA and also has availability of expansion ready land. The merger will provide the Transferee Company with an opportunity to increase its installed capacity base in a significantly faster and more economical manner than would be possible through a greenfield expansion.

The Scheme is, therefore, in the best interests of the Parties and fair and reasonable for the shareholders, employees, creditors and other stakeholders of each of the Parties."

3. Share Exchange Ratio Report and issue of consideration pursuant to the Scheme

- 3.1. Upon coming into effect of the Scheme and in consideration of the amalgamation of the Transferor Company, the Company shall issue and allot to shareholders of the Transferor Company, whose name is recorded in the register of members and/ or records of the depository on the Record Date, as follows:

1 (one) equity share of INR 1 each fully paid up of the Company for every 18 (eighteen) equity shares of INR 10 each fully paid up of the Transferor Company.

- 3.2. The Valuation Report and the Fairness Opinion have been duly considered by the Board, and the Board has come to the conclusion that equity share exchange ratio specified in the Scheme is fair and reasonable; and
- 3.3. No special valuation difficulties were reported.

4. Effect of the Scheme on the shareholders of the Company (including promoter and non-promoter shareholders)

- 4.1. In terms of the Scheme, the Company shall issue and allot its equity shares, to shareholder of the Transferor Company, whose name is recorded in the register of members and/ or records of the depository on the Record Date.
- 4.2. Upon the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up and the shareholders of the Transferor Company shall become shareholders of the Company.
- 4.3. The rights and interests of the shareholders of the Company will not be prejudicially affected by the Scheme.





5. Impact of the Scheme on the NCD holders, safeguards for the protection of the NCD holders and exit offer to the dissenting NCDs holders, if any

5.1. Impact of the Scheme on the NCD holders, safeguards for the protection of the NCD holders:

Pursuant to the Scheme, there will be no change in terms and conditions of the NCDs of the Company. The holders of the NCDs of the Company as on the Effective Date will continue to hold the NCDs, without any interruption and on the same terms including the coupon rate, the tenure, the redemption price, quantum, and the nature of security, ISIN, etc. Accordingly, the interests of the NCD holders of the Company are protected and the Scheme is not detrimental to the NCD holders.

5.2. Exit offer to the dissenting NCDs holders, if any:

Upon the Scheme becoming effective, the said NCDs will continue to be freely tradeable and listed on BSE, thereby providing liquidity to the holders of the NCDs and accordingly, no exit offer is provided to holders of NCDs of the Company.

5.3. Accordingly, this Scheme will have no adverse impact on the holders of the NCDs of the Company.

6. Effect of the Scheme on the KMPs of the Company

6.1. There shall be no effect of the Scheme on KMPs of the Company, pursuant to the amalgamation of the Transferor Company with the Company.

6.2. None of the KMPs of the Company have any interest in the Scheme except to the extent of the equity shares held directly or indirectly by them, if any, in the Company.

In the opinion of the Board, the Scheme will be of advantage and beneficial to the Company, its shareholders and other stakeholders.

For and on behalf of Board of Directors of JSW STEEL LIMITED

Jayant Acharya
Jt. Managing Director & CEO
DIN: 00106543



Date: May 14, 2026