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REPORT OF THE INDEPENDENT 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 Independent Directors of the Company at their 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 Independent Directors were present:

Independent Directors present in person / through video conference:

1. Mr. Seturaman Mahalingam
2. Mrs. Nirupama Rao
3. Ms. Fiona Jane Mary Paulus
4. Mr. Marcel Fasswald
5. Mr. Sushil Kumar Roongta
6. Mr. Shyamal Mukherjee

Leave of Absence: All Independent Directors were present.

The Independent Directors of the Company unanimously elected Mr. Seturaman Mahalingam, Lead Independent Director, as the Chairperson of the meeting.

1. Background

- 1.1. The proposed Scheme of Amalgamation of BMM Ispat Limited ("**Transferor Company**") with JSW Steel Limited ("**Company**" or "**Transferee Company**") and their respective shareholders ("**Scheme**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**the Act**") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and the relevant provisions of the Securities and Exchange Board of India ("**SEBI**") Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Circular**") and SEBI Master Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/0000000103 dated July 11, 2025 and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("**SEBI LODR**"), has been placed before the Independent Directors of the Company at their meeting held on May 14, 2026 to consider and approve the said Scheme.
- 1.2. As per the requirements under the SEBI Circular, the Independent Directors of the Company are required to adopt a report recommending the scheme, taking into consideration, *inter alia*, that the scheme is not detrimental to the shareholders of the Company.
- 1.3. This report, in connection with the Scheme, has been accordingly adopted by the Independent Directors of the Company in order to comply with the requirements under the SEBI Circular, after considering, discussing and reviewing, *inter-alia*, the following:



- (a) the draft Scheme;
- (b) 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 proposed Scheme ("**Valuation Report**");
- (c) fairness opinion dated May 14, 2026 issued by M/s. JM Financial Limited (SEBI Registration No. INM000010361), an independent and SEBI registered Category I merchant banker, providing opinion on the fairness of the equity share exchange ratio proposed in the Valuation Report ("**Fairness Opinion**"); and
- (d) certificate from the statutory auditor of the Company i.e. M/s. S R B C & Co LLP, Chartered Accountants, (ICAI Firm Registration No. 324982E/E300003), (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. Proposed Scheme

The salient features of the Scheme are *inter alia* as set out below:

- (a) amalgamation of Transferor Company with the Company in accordance with Sections 230 to 232 and other applicable provisions of the Act, and Section 2(6) of the Income-tax Act, 2025;
- (b) the Appointed Date of the Scheme is April 1, 2026;
- (c) upon the Scheme coming into effect and with effect from the Appointed Date, the Transferor Company shall stand amalgamated with the Company as a going concern, and the assets and liabilities and the entire business of the Transferor Company shall stand transferred to and vested in the Company;
- (d) the Company will issue and allot 1 (one) fully paid up equity share of INR 1 (Indian Rupee One) each of the Company to the equity shareholders of the Transferor Company as on the Record Date (*as defined in the Scheme*) for every 18 (eighteen) fully paid up equity shares of INR 10 (Indian Rupees Ten) each held by such equity shareholder of the Transferor Company. Equity shares issued by the Company as consideration to the equity shareholder of the Transferor Company will be listed on the BSE Limited and National Stock Exchange of India Limited ("collectively referred to as **Stock Exchanges**");
- (e) upon the Scheme becoming effective, Transferor Company shall stand dissolved without being wound-up; and

- (f) upon the Scheme coming into effect, the Company shall account for the amalgamation of the Transferor Company as per the "Acquisition Method" in accordance with accounting principles as laid down in Indian Accounting Standard 103 ("Business Combinations") notified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.

3. Need and rationale for the Scheme

The Independent Directors of the Company noted the need and rationale of the Scheme which is set out below:

"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."



4. Scheme not detrimental to shareholders of the Company

4.1. The Independent Directors of the Company noted that the Scheme will provide an opportunity to improve the economic value of the Company. This is particularly marked in the improved synergies that will arise pursuant to the Scheme.

4.2. Therefore, considering the above and other documents presented, the Independent Directors of the Company are of the view that the Scheme is not detrimental to the shareholders of the Company.

5. Recommendation of the Independent Directors of the Company

5.1. The Independent Directors of the Company, after due deliberations and due consideration of all the terms of the Scheme, in particular the fact that the Scheme is not detrimental to the shareholders of the Company, recommends the Scheme for approval of the Board of Directors of the Company.

For and on behalf of the Independent Directors of JSW Steel Limited

Seturaman Mahalingam
Lead Independent Director
DIN: 00121727

Date: May 14, 2026