


**JSW Steel Limited**

Regd. Office: JSW Centre,  
Bandra-Kurla Complex,  
Bandra East, Mumbai – 400 051  
CIN : L27102MH1994PLC152925  
Phone : +91 22 4286 1000  
Fax : +91 22 4286 3000  
Website : www.jsw.in

**REPORT OF THE AUDIT COMMITTEE OF JSW STEEL LIMITED ("COMPANY" OR "TRANSFEREE COMPANY") RECOMMENDING THE SCHEME OF AMALGAMATION OF PIOMBINO STEEL LIMITED WITH THE COMPANY AND THEIR RESPECTIVE SHAREHOLDERS**

This report is considered and approved by the Audit Committee of the Company ("**Audit Committee**") at its meeting held on December 2, 2025, at the registered office of the Company at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 where the following Audit Committee members were present:

**Directors present through video conferencing:**

- |                              |   |          |
|------------------------------|---|----------|
| 1. Mr. Seturaman Mahalingam  | - | Chairman |
| 2. Mr. Shyamal Mukherjee     | - | Member   |
| 3. Ms. Fiona Jan Mary Paulus | - | Member   |

**Leave of Absence:** All the Members were present

Mr. Seturaman Mahalingam, Chairman of the Audit Committee took the Chair.

**1. Background**

- 1.1. The proposed Scheme of Amalgamation of Piombino Steel 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 Audit Committee at its meeting held on December 2, 2025, to consider and recommend the said Scheme.
- 1.2. As per the SEBI Circular, the Audit Committee is required to adopt a report recommending the scheme, taking into consideration *inter alia*, the valuation report, and commenting on the need for the amalgamation, rationale of the scheme, cost benefit analysis of the scheme, impact of the scheme on the shareholders and synergies of business of the entities involved in the scheme. This report of Audit Committee is made in order to comply with the requirements of the SEBI Circular.
- 1.3. The Audit Committee has considered, reviewed and discussed the following in this respect:
  - (a) the draft Scheme;
  - (b) valuation report dated December 2, 2025 issued by M/s. KPMG Valuation Services LLP (IBBI Registration No. IBBI/RV-E/06/2020/115), an



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independent and registered valuer, in respect of the equity share exchange ratio in connection with the proposed Scheme ("**Valuation Report**");

- (c) fairness opinion dated December 2, 2025 issued by M/s. Axis Capital Limited (SEBI Registration No. INM000012029), 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) draft 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 Audit Committee has reviewed the draft Scheme and noted it's salient features *inter alia* as set out below:

- (a) amalgamation of Transferor Company with the Company and their respective shareholders in accordance with Sections 230 to 232 and other applicable provisions of the Act, and Section 2(1B) of the Income-tax Act, 1961;
- (b) the Appointed Date of the Scheme means the opening business hours of January 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 10 (ten) fully paid up equity share(s) of INR 1 (Indian Rupee One) each of the Company to the equity shareholders of the Transferor Company (other than the Company in respect of its shareholding in Transferor Company) as on the Record Date (*as defined in the Scheme*) for every 156 (one hundred and fifty six) fully paid up equity share(s) 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 and with effect from the Appointed Date, the Company shall account for the amalgamation of the Transferor



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Company in accordance with "Pooling of Interest Method" of accounting as laid down in Appendix C of Indian Accounting Standard ("Ind AS") 103 ("Business Combinations of entities under common control") notified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.

### **3. Need and rationale for the Scheme**

The Audit Committee noted and agreed with the need and rationale of the Scheme which is set out below:

*"The Parties operate in similar lines of business. The amalgamation of the Transferor Company with the Transferee Company will result in the following benefits:*

- a) The merger ensures better alignment of the Transferee Company's long-term strategic interests by enabling it to directly hold the investment in Bhushan Power and Steel Limited ('BPSL'). This consolidation provides a platform to facilitate any transactions and investments related to BPSL's business, thereby enhancing strategic focus without minority shareholders involvement;*
- b) Pursuant to the proposed amalgamation, the Transferee Company will have additional cash to pursue its growth aspirations in a financially prudent manner;*
- c) Reduction in multiple entities and regulatory compliances will further reduce the overall compliance and overhead costs of the Transferee Company;*
- d) Reducing time and efforts for consolidation of financials at Transferee Company level; and*
- e) The Scheme will lead to consolidation of administrative and managerial functions, eliminating duplicative record-keeping and associated expenses. This will result in a reduction of overhead costs and optimal utilization of resources within the Transferee Company."*

### **4. Synergies of business of the entities involved in the Scheme**

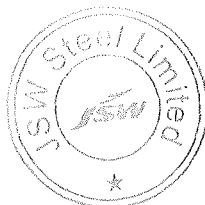
As detailed above regarding the need and rationale for the Scheme, it is observed that the companies are engaged in similar lines of business and the proposed amalgamation will create synergies between their businesses leading to further simplification of corporate structure. The proposed amalgamation is expected to, *inter alia*, result in reduction of costs, better alignment, coordination and streamlining of operations.

### **5. Impact of the Scheme on shareholders and NCD holders**

- 5.1. Upon the Scheme becoming effective, the Company will issue and allot 10 (ten) fully paid up equity share(s) of INR 1 (Indian Rupee One) each of the Company to the equity shareholders of the Transferor Company (other than the Company in respect of its shareholding in Transferor Company) as on the record date for every 156 (one hundred and fifty six) fully paid up equity share(s) of INR 10 (Indian Rupees Ten) each held by such equity shareholder of the Transferor Company.



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- 5.2. If any shareholder of Transferor Company becomes entitled to a fractional equity share to be issued by the Company, then the treatment of such fractional equity share will be as provided under the Scheme.
- 5.3. The rights and interests of the shareholders of the Company will not be prejudicially affected by the Scheme.
- 5.4. 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 are protected.
- 5.5. Upon the Scheme becoming effective, the said NCDs will continue to be freely tradeable and listed on BSE Limited, thereby providing liquidity to the holders of the NCDs and accordingly, no exit offer is provided to holders of NCDs of the Company. Accordingly, this Scheme will have no adverse impact on the holders of the NCDs of the Company.

#### **6. Cost Benefit analysis of the Scheme**

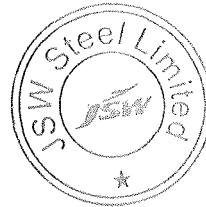
The Audit Committee noted that the Scheme will provide an opportunity to improve the economic value for the companies involved in the Scheme and their stakeholders. The proposed amalgamation will result in deriving benefits by improved synergies which are expected to accrue to the Company on account of the Scheme and more particularly detailed out in Paragraph 3 and 4 above. The Audit Committee further noted that while the Scheme would lead to incurring of some costs towards its implementation, however, the benefits of the Scheme over a longer period would far outweigh such costs for the stakeholders of the Company.

#### **7. Recommendation of the Audit Committee**

- 7.1. The Audit Committee, having considered and noted *inter alia*, the aforesaid Valuation Report, Fairness Opinion, and other documents placed before it recommends the Scheme for approval to the Board of Directors of the Company.

**For and on behalf of the Audit Committee of JSW Steel Limited**

**Seturaman Mahalingam**  
Chairman of the Audit Committee  
DIN : 00121727



Date: December 2, 2025



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