

# Directors' Report

To the Members of  
JSW STEEL LIMITED,

The Board of Directors are pleased to present the Fourth Integrated Report along with the financial statements of the Company for the financial year ended March 31, 2021. A brief summary of the Company's performance is given below.

## 1. Company Performance

₹ in crores

	Standalone		Consolidated	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
<b>I Revenue from operations</b>	70,727	64,262	79,839	73,326
<b>II Other income</b>	669	628	592	546
<b>III Total income (I + II)</b>	71,396	64,890	80,431	73,872
<b>IV Expenses:</b>				
Cost of materials consumed	28,743	33,073	32,623	38,865
Purchases of stock-in-trade	199	420	233	135
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(872)	(27)	(348)	(270)
Mining premium and royalties	6,972	651	6,972	651
Employee benefits expense	1,501	1,496	2,506	2,839
Finance costs	3,565	4,022	3,957	4,265
Depreciation and amortisation expense	3,781	3,522	4,679	4,246
Other expenses	14,925	16,132	17,712	19,233
<b>Total expenses</b>	58,814	59,289	68,334	69,964
<b>V Profit before share of profit / (losses) from joint ventures, exceptional items and tax (III-IV)</b>	12,582	5,601	12,097	3,908
<b>VI Share of profit / (loss) from joint ventures (net)</b>			1	(90)
<b>VII Profit / (loss) before exceptional items and tax (V+VI)</b>	12,582	5,601	12,098	3,818
<b>VIII Exceptional items</b>	386	1,309	83	805
<b>IX Profit before tax (VII-VIII)</b>	12,196	4,292	12,015	3,013
<b>X Tax expenses / (credit):</b>				
Current tax	2,162	789	2,467	943
Deferred tax	1,641	(1,788)	1,675	(1,849)
	3,803	(999)	4,142	(906)
<b>XI Profit for the year (IX-X)</b>	8,393	5,291	7,873	3,919
<b>XII Other comprehensive income</b>				
<b>A</b>				
i) Items that will not be reclassified to profit or loss				
a) Re-measurements of the defined benefit plans	26	(19)	33	(23)
b) Equity instruments through Other Comprehensive Income	385	(255)	459	(304)
ii) Income tax relating to items that will not be reclassified to profit or loss	(10)	6	(12)	7
<b>Total (A)</b>	402	(268)	480	(320)
<b>B</b>				
i) Items that will be reclassified to profit or loss				
a) The effective portion of gains and loss on hedging instruments	369	(719)	426	(825)
b) Changes in Foreign Currency Monetary Item Translation Difference account (FCMITDA)	-	87	-	87
c) Foreign currency translation reserve (FCTR)			25	(316)
ii) Income tax relating to items that will be reclassified to profit or loss	(129)	221	(143)	253
<b>Total (B)</b>	240	(411)	308	(801)
<b>Total Other comprehensive income / (loss) (A+B)</b>	642	(679)	788	(1,121)
<b>XIII Total comprehensive income / (loss) (XI+ XII)</b>	9,035	4,612	8,661	2,798
<b>Total Profit / (loss) for the year attributable to:</b>				
- Owners of the company			7,911	4,030
- Non-controlling interests			(38)	(111)
			7,873	3,919
<b>Other comprehensive income/(loss) for the year attributable to:</b>				
- Owners of the company			770	(1,076)
- Non-controlling interests			18	(45)
			788	(1,121)
<b>Total comprehensive income/(loss) for the year attributable to:</b>				
- Owners of the company			8,681	2,954
- Non-controlling interests			(20)	(156)
			8,661	2,798

## 2. Results of Operations

The financial year 2020-21 would go down in history as an extraordinary one. The coronavirus outbreak in the first quarter of CY 2020 sent shockwaves across the world, disrupting trade and supply chains, besides overwhelming the already fragile healthcare infrastructure in many countries. Most governments around the world imposed lockdowns of varying intensity to contain the spread of COVID-19. This led to a steep fall in demand and weakened consumer sentiment. Large-scale stimulus measures were announced by major economies to minimise the impact of economic fallout while multilateral agencies such as the International Monetary Fund and the World Bank called for concerted efforts to support vulnerable economies.

Beginning July 2020, synchronised fiscal policies and novel support measures played a vital role in supporting business sentiment. Backed by accommodative monetary policies of central banks, global growth showed some signs of revival. However, global economic recovery slackened in the latter part of CY 2020 and the first quarter of CY 2021, as several countries battled with the second wave of COVID-19 infections, especially the more virulent strains. With massive vaccination drives underway, risks to the recovery are expected to abate and economic activity may regain momentum in the second half of CY 2021. According to the International Monetary Fund (IMF), global growth declined by 3.3% in CY 2020.

India's economic growth, too, moderated due to weak domestic consumption, sluggish manufacturing and subdued investments. There was a swift revival of economic activity with the easing of lockdown restrictions in June 2020 and the subsequent opening up of the economy. Several high frequency economic indicators performed better than the initial expectations, pointing to a robust recovery. Passenger vehicles and motorcycle sales, railway freight traffic, and electricity consumption are on the rebound. The Indian economy contracted by 7.3% in FY 2020-21.

The global steel industry, like many commodities, witnessed a year of two halves in CY 2020. The first half witnessed a sharp decline in both steel demand and production, while the second half saw a sharper-than-expected recovery. The large infrastructure spends fueled by the several Governments' economic stimulus package led to a surge in demand for commodities. In the recent past, increased Environment, Social and Governance (ESG) scrutiny has constrained investments in several core and commodity sectors. The Governments-led commodity intensive infrastructure spend led to a demand surge overwhelming an already investment starved commodity supply chain. China's recovery from the pandemic, much ahead of others, contributed to the recovery of demand in commodities.

Global crude steel production declined to 1,864 MnT in CY 2020 from 1,880.1 MnT in CY 2019, largely on account of the lacklustre demand in the beginning of the year. Steel prices remained under pressure until the second quarter of CY 2020, after which they rallied higher, driven by increasing demand from the construction, automobile and retail segments. Similarly, raw material prices maintained an uptrend in the second half, except for seaborne metallurgical coal prices, which trended downwards owing to certain structural changes in China's global sourcing strategy. Crude steel production in Asia grew 1.5% y-o-y to 1,374.9 MnT, with China recording the highest growth at 5.2% y-o-y with 1,053 MnT production in contrast to the developed markets of EU and North America that reported a decline of 5.3% and 15.5% on y-o-y basis, respectively. Even though the year began with dampened market conditions, growth across the global steel industry seems to have stabilised.

In India, the steel industry experienced a weak first quarter of FY 2020-21 due to the COVID-19 induced slowdown that adversely impacted consumption and spending on infrastructure. However, the government implemented a series of measures to revive the economy, and the Reserve Bank of India (RBI) pitched in with calibrated monetary policies to keep interest rates steady through the year. Together, these measures helped arrest the decline and put the economy back on the growth path.

The domestic steel industry witnessed a sharp demand recovery, driven by restocking and higher demand from automotive, machinery, construction and infrastructure sectors on the back of increased government spending, specific policy initiatives such as Production-Linked Incentive (PLI) schemes to encourage manufacturing in India, and targeted stimulus packages for the Micro, Small and Medium-Sized Enterprise (MSME) sector.

In FY 2020-21, crude steel production in India fell 5.6% y-o-y to 103.04 MnT. Total finished steel consumption stood at 94.14 MnT in FY 2020-21, registering a 6% decline over FY 2019-20. However, finished steel consumption in March 2021 saw a growth of 45.7% over March 2020, indicating a strong demand rebound. Steel exports from India increased by 29.1%, making India a net exporter of finished steel in FY 2020-21, given the increased availability, especially in the first half of the year.

FY 2020-21 started on a difficult note due to the pandemic as lockdowns across the globe led to weakened consumption and decline in economic growth in Q1 FY 2020-21. However, with the synchronised monetary and fiscal policy measures, the Indian and global economy witnessed revival with improving business and consumer sentiment, together with higher demand and pricing. Infrastructure spending being one of the focus areas of governments, led to strong demand for steel and other metals globally. Although services remained constrained due to the pandemic, manufacturing picked up strongly across the world.

Amidst the fluctuations and uncertainties across the economic landscape in India and the world, the Company was able to deliver strong operational and financial performance during FY 2020-21.

#### (A) Standalone Results

The Company was able to gradually normalise its operations from Q2 FY 2021, and ramp up production to cater to the surge in demand following the pick-up in economic activity in India and globally. Crude steel production was 15.08 MnT, and average capacity utilisation levels reached ~96% in March 2021. Production volumes were lower by 6% y-o-y, primarily due to lower capacity utilisation in the first quarter of FY 2020-21 as the Company scaled down operations owing to disruption and slowdown of economic activity and supply chain constraints on account of the COVID-19 outbreak. The Company achieved 99% of its revised crude steel production volume guidance of 15.2 MnT for FY 2020-21.

Saleable steel sales volume stood at 14.88 MnT, down 1% y-o-y. The Company exported 3.72 MnT of steel, up 41% y-o-y, and accounting for 25% of the total sales, as against 18% in FY 2019-20. The Company also achieved 99% of its standalone sales volume guidance of 15.0 MnT for FY 2020-21. Sales of Value-added and Special Products (VASP) accounted for 52% of the total sales volume for the year. The Company has established strong brands over the years, and branded products' sales stood at 48% of the total retail sales.

Revenue from operations grew 10% y-o-y to ₹70,727 crores, primarily due to an 11% increase in sales realisation as well as sale of iron ore from Odisha mines.

The Company continues to focus on backward integration by investing in its resource base to secure critical raw materials for the steel-making operations. Mining operations began in all the newly acquired mines in Karnataka and Odisha during FY 2020-21. The Company was declared a "preferred bidder" for seven additional iron ore mines in the auctions held by the governments of Karnataka and Odisha in FY 2019-20. The mines have estimated resources of approximately 1.20 billion tonnes. The Company started mining operations in July 2020 in the acquired mining blocks of Nuagaon, Narayanposhi, Jajang and Gana in Odisha and ramped up production and dispatches. The Company has also commenced production in the three recently acquired mines in Karnataka during the year. With this, all nine mines situated in Karnataka and the four situated in Odisha are operational. This is expected to further enhance the raw material security of the Company and lead to integrated and efficient operations. Overall, dispatches from captive mines during the year constituted 35% of iron ore requirements of the Company.

Cost reduction strategies such as optimising fuel consumption by increasing pulverised coal injection, reducing coke moisture, utilisation of pipe conveyor system for the transport of iron ore from mines to reduce supply chain costs also helped the Company bring down costs. The Company also undertook multiple initiatives to improve efficiencies by leveraging technological and digitalisation tools, reducing fixed cost base, optimising procurement costs, conserving liquidity, and ramping up sales and marketing efforts to find new markets and customers to remain competitive.

The Company achieved its highest ever annual Operating EBITDA of ₹19,259 crores, up by 54% y-o-y with an EBITDA margin of 27.2%, led by enhanced spreads due to better realisations, favourable product mix, lower coking prices and power costs. However, this was partly offset by higher prices of iron ore, which almost doubled in view of the shortage of iron ore in the domestic market due to lower production and higher volume of exports.

The depreciation and amortisation charge for the year was ₹3,781 crores, registering a 7% increase over the previous year due to depreciation charged on asset capitalisation for projects and sustaining capex. Further, amortisation costs was higher on account of amortisation of mining intangible assets as the Company started mining operations from Odisha iron ore mines. The finance costs for the year was ₹3,565 crores, a reduction of 11% over the previous year.

Exceptional items for the quarter and year ended March 31, 2021 represents impairment provision of ₹386 crores on the value of loans given and interest receivable from overseas subsidiaries on the assessment of recoverable value of the US operations determined by independent external valuers using cash flow projections.

Consequently, profit after tax increased by 59% to ₹8,393 crores as compared to the previous year.

The Company's net worth stood at ₹46,977 crores as on March 31, 2021 vis-à-vis ₹38,362 crores as on March 31, 2020. Gearing (net debt-to-equity) was at 0.90x (as against 1.23x) and net debt to EBITDA stood at 2.20x (as against 3.78x).

#### (B) Consolidated Results

The Company's revenue from operations on a consolidated basis for FY 2020-21 was ₹79,839 crores. Operating EBITDA at ₹20,141 crores registered a rise of 70% y-o-y. The operating EBITDA increased primarily due to higher operating EBITDA from the standalone results, better operating margins from the downstream business and lower operating losses from the overseas businesses. The domestic subsidiaries contributed an operating EBITDA of ₹2,131 crores

during the year as against the operating EBITDA of ₹1,038 crores during the previous year. The overseas subsidiaries posted an operating EBITDA loss of ₹829 crores as against an operating EBITDA loss of ₹1,231 crores during the previous year.

Exceptional items for the quarter and year ended March 31, 2021 represent impairment provision of ₹83 crores relating to the US coal business towards the value of the property, plant, equipment and goodwill on the basis of values determined by independent external valuers using cash flow projections of respective businesses and assets.

The Company's net profit improved to ₹7,873 crores for FY 2020-21 vis-à-vis ₹3,919 crores in the last financial year. The performance and financial position of the subsidiary companies and joint arrangements are included in the consolidated financial statement of the Company. The Company's net worth on March 31, 2021 was ₹46,145 crores compared to ₹36,024 crores on March 31, 2020.

The debt has come down by ₹858 crores despite the spending on capex expenditure/ acquisitions aggregating to around ₹15,000 crores during FY 2020-21. The Company's consolidated Net gearing (net debt-to-equity) at the end of the year stood at 1.14x (as against 1.48x as on March 31, 2020) and net debt to EBITDA stood at 2.61x (as against 4.50x as on March 31, 2020).

In terms of Section 134(3) (l) of the Companies Act, 2013, except as disclosed elsewhere in this Report, no material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this Report.

#### (C) Outlook

The COVID-19 pandemic is regarded as a 'black swan' event for the global economy and humanity. But the global and Indian economies have shown a remarkable capacity to bounce back rapidly, supported by strong fiscal and monetary stimuli. Even though countries across the globe are now combating fresh COVID-19 outbreaks, the economic environment is expected to stay resilient. Resurgence of infection is undoubtedly a dampener on economic recovery, but much depends on the severity of the wave and extent of the lockdowns that need to be imposed. As experience shows, subsequent lockdowns have generally been less stringent and more localised, with the vaccination pace picking up across the world. According to the IMF, global growth is projected to grow by 6% in CY 2021, and the expected recovery will be determined by the effective pace of vaccination. The US economy is expected to gain more momentum with an accommodative monetary policy and fiscal

stimulus underpinning growth outlook. In China, economic activities have picked up since the last quarter of CY 2020, and broad-based growth is projected across investment, manufacturing and services. Synchronised policy measures and widespread availability of COVID-19 vaccines across the globe are expected to aid economic recovery.

As for the Indian economy, the high frequency indicators have been positive. Sufficiently supported by government spending and resilient rural consumption, manufacturing – especially consumer non-durables – and some categories of services, such as passenger vehicles and railway freight, the economy appears to be on its way to a gradual recovery. India is in the midst of a severe second wave and although the lockdowns are less stringent in comparison to the national lockdown of 2020, the spread of infection and the resultant impact on society are, unfortunately, more severe. Medical experts believe that the current wave may have peaked in India, and one can expect a reduction in cases and a gradual easing of lockdowns. Vaccinations will be a major counter to the virus, helping reduce mutations and subsequent waves.

Steel demand bounced back strongly in India as well as globally. Supply, however, is constrained due to underinvestments in the sector for the past several years, leading to improved realisations. With the Government of India's planned outlay for public infrastructure, the steel industry is expected to witness steady demand. In Q4 FY 2020-21, India's finished steel consumption grew by 17.1% as compared to that of Q4 FY 2019-20. Though the domestic market may face pressure owing to the second phase of the pandemic, a gradual recovery in domestic demand is expected in the second half of FY 2021-22. While the timing and trajectory of the reopening of the Indian economy will follow the decline in cases, the government's pro-growth policies and the Union Budget 2021-22 should help the economy recover to levels prior to the onset of the second wave.

India's growing urban infrastructure and manufacturing sectors indicate that demand for steel is likely to remain robust in the coming years. This will be further supported by government initiatives, such as providing affordable housing, expanding road and rail way networks and developing the domestic shipbuilding industry. In the Union Budget 2021-22, the government proposed a capital expenditure of ₹5.54 lakhs crores, with a push for infrastructure. Demand for steel is thus projected to remain robust in the coming years. The Company is in step with the country's aspiration to become one of the fastest growing economies in the world.

### 3. Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profit in the profit and loss account. Accordingly, the Company has not transferred any amount to the 'Reserves' for the year ended March 31, 2021.

### 4. IMPACT of COVID-19

In the first half of CY 2020, the COVID-19 pandemic had an adverse impact across regional and global economies and financial markets. Most governments reacted by instituting lockdowns, business shutdowns, quarantines and restrictions on travel. Businesses also implemented safety measures to reduce the risk of transmission. Such actions led to disruption of economic activity, leading to many economies encountering a deep slump. However, towards the second half, with the end of lockdown in many countries and resumption of economic activity, consumption picked up and green shoots became visible.

The Company did face some operational disruptions in the beginning of FY 2020-21, which impacted the business. However, it was agile enough to work on a mitigation plan to overcome the challenges and combat the impact of the economic slowdown induced by the pandemic. It made all possible efforts to ramp up capacity utilisation and resume near-normal run rates by the end of the first quarter of FY 2020-21. In the first quarter, the Company focused on exports to increase sales volumes, including liquidation of inventory, to offset the loss of sales volumes in the domestic market and improve cash flows. Gradually, as domestic consumption picked up, the Company focused on improving market share in India and domestic sales rose substantially. At the same time, it undertook targeted cost saving measures to recalibrate the cost base across all areas of operations, and leveraged technology and digitalisation to continually drive value.

As a long-term plan, the Company also identified key focus areas to ensure seamless business continuity. One such area is digitalisation, which it will continue to leverage by undertaking digital initiatives, using digital tools to access markets, and digital platforms to ensure operational excellence. It will also reduce its cost base and maintain continuity of its supply chains. Most importantly, it will remain committed to its environmental, social and governance goals.

The Company is playing a major role in supporting communities and the nation during the pandemic. It is one of the largest contributors of medical oxygen, and has set up oxygenated hospital beds in record time – take the 1,000 bed massive hospital at Vijayanagar and a 100-bed (to be scaled up to 500 beds) hospital at Dolvi.

### 5. Dividend

The Board of Directors of the Company had approved a Dividend Distribution Policy on January 31, 2017, in accordance with the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Policy is available on the Company's website: [www.jsw.in/investors/investor-relations-steel](http://www.jsw.in/investors/investor-relations-steel).

In terms of the Policy, Equity Shareholders of the Company may expect dividend if the Company has surplus funds and after taking into consideration the relevant internal and external factors enumerated in the policy for declaration of dividend. The policy also enumerates that efforts will be made to maintain a dividend payout (including dividend distribution tax and dividend on preference shares, if any) in the range of 15% to 20% of the consolidated net profits of the Company after tax, in any financial year, subject to compliance of covenants with Lenders / Bond holders.

In line with the said policy, the Board of Directors has recommended dividend at ₹6.50 per equity share on the 241,72,20,440 equity shares of ₹1 each for the year ended March 31, 2021, subject to the approval of the Members at the ensuing Annual General Meeting.

The total outflow on account of equity dividend will be ₹1,571 crores, vis à vis ₹483 crores paid for FY 2019-20.

### 6. Prospects

Management Discussion and Analysis, covering prospects, is provided as a separate section in the Annual Report.

### 7. Management Discussion and Analysis

Management Discussion and Analysis is provided as a separate section in the Annual Report.

### 8. Projects and Expansion Plans

In FY 2017-18, the Company initiated a three-year capex plan. The strategic objective of the plan was to create incremental capacity at a low specific investment cost so that it remains return-accretive. The key projects approved by the Board of Directors included:

- Expansion of overall steelmaking capacity from 18 MTPA to 24 MTPA
- Enriching the product mix with additional downstream capacity
- Acquiring and developing iron ore mines to achieve raw material security
- Achieving cost reduction through backward integration

The Company has been on track in achieving the set targets and some projects are awaiting commissioning.

Update on all key projects are as below:

#### (A) Upstream Projects – Augmenting crude steel capacity at Vijayanagar and Dolvi

- 1) In Vijayanagar, during the fourth quarter of this fiscal year, the Company commissioned a new 160T Zero Power Furnace and 1 x 1.4 MTPA Billet Caster, along with associated facilities at SMS-3, to enhance steelmaking capacity. Wire Rod Mill No.2 of 1.2 MTPA capacity was commissioned during Q3 FY 2020-21. Capacity upgradation of BF-3 from 3.0 MTPA to 4.5 MTPA, along with the associated auxiliary units, is under implementation.
- 2) In Dolvi, the Company successfully commissioned two of its key units i.e. 8 MTPA Pellet Plant-2, which is one of the world's largest pellet plants, and 5 MTPA Hot Strip Mill-2 plants. The Company commenced production of Hot Rolled Plates from the new 5 MTPA Hot Strip Mill facility in March 2021.

Completion of work pertaining to the blast furnace and Steel Melt Shop (SMS) has been impacted by the ongoing COVID-19 disruption. The BF-2 is expected to be fully commissioned by the end of Q2 FY 2021-22. The 5 MTPA SMS-2 is close to commissioning and all two substations have been successfully charged. Similarly, coke and pellet feeding to BF-2 and limestone/dolomite feeding to LCP 5/6/7 is in the final commissioning phase. In Lime Calcination Plants (LCP 5/6/7), one of the three kilns' (Kiln-5) pressure testing has been completed and is ready for heating. Refractory works is already completed in all three kilns. The Company now expects full integrated operations of the expanded 5 MTPA at Dolvi by September 2021.

#### (B) Enriching product mix

1. As part of the capacity expansion of CRM-1 complex at Vijayanagar, conversion of existing standalone Pickling line and twin stand compact Cold Mill to Pickling Line and Tandem Cold Mill (PLTCM) of 1.80 MTPA and one of the two new lines of 0.45 MTPA each for construction grade galvanised products, were commissioned during the fourth quarter of FY 2020-21. The second Continuous Galvanising Line (CGL) is expected to be commissioned by the second quarter of FY 2021-22.
2. A new 0.3 MTPA line for colour-coated products is also underway in Vijayanagar and is expected to be commissioned during the second quarter of FY 2021-22.

3. Modernisation and capacity enhancement at Vasind and Tarapur by increasing GI/GL capacity by 0.9 MTPA, and increase in colour coating capacity by 0.3 MTPA has been commissioned in phases during FY 2020-21.
4. Capacity enhancement of colour-coated products (PPGI/PPGL) at Vasind and Kalmeshwar by 0.5 MTPA is expected to be commissioned in Q1 FY 2021-22.
5. The 0.5 MTPA of new Continuous Annealing Line (CAL) at Vasind is expected to be commissioned in the fourth quarter of FY 2021-22.
6. Additional Tin Plate Line (through BAF route) of 0.25 MTPA at Tarapur is expected to be commissioned in the first quarter of FY 2022-23 to enhance the tin plate product-mix.

#### (C) Cost reduction projects and manufacturing integration

- 1) Setting up of 8 MTPA pellet plant and 1.5 MTPA coke oven plant at Vijayanagar:

In order to decrease the facility's requirement of expensive lump iron ore, the Company has set up an 8 MTPA pellet plant at Vijayanagar. The project was commissioned and is currently under trial run. The construction of Coke Oven Battery of 1.5 MTPA at Vijayanagar is currently under progress and is expected to be commissioned in phases from Q3 FY 2021-22. The Company has also decided to expand the coke oven capacity by another 1.5 MTPA at Vijayanagar, which is expected to be commissioned in the second half of FY 2021-22. The projects, cumulatively, will contribute to substantial cost savings as the current coke requirements are being procured from the Dolvi unit.

- 2) Setting up 175 MW and 60 MW power plants at Dolvi:

The Company is setting up 175 MW Waste Heat Recovery Boilers (WHRB) and a 60 MW captive power plant to harness flue gases and steam from the Coke Dry Quenching (CDQ). These power plants are expected to be commissioned during Q1 FY 2021-22.

#### D) New projects:

The Board of Directors has approved some key projects that will enable the Company to continue to meet the growth in steel demand in India, in line with the government's National Steel Policy, which projects a requirement of 300 MTPA capacity by 2030. The new projects approved entail a capex of ₹25,115 crores (including sustenance and other capex of ₹6,565 crores) spread over three years from FY 2021-22 to FY 2023-24.

### 5 MTPA expansion at Vijayanagar

The Company will expand its steel making capacity by 5 MTPA at Vijayanagar from the existing 12 MTPA at a capex cost of ₹15,000 crores through its wholly-owned subsidiary, JSW Vijayanagar Metallica Limited.

Vijayanagar is India's largest single-location steel plant, and this brownfield expansion through its subsidiary will be completed by FY 2023-24, further reinforcing that distinction. The Company will leverage its strong capabilities and track record of implementing brownfield expansions efficiently.

### Iron ore mines in Odisha

The Company has four iron ore mine leases in Odisha that were acquired in auctions in FY 2019-20. The Company has successfully operationalised and ramped up operations in all these mines in FY 2020-21. It will enhance its mining capabilities and efficiencies at a capex of ₹3,450 crores, which will enhance its mining infrastructure and reduce reliance on outsourced mining. It will also implement digitalisation, and set up grinding and washing facilities to improve the quality of the ore, which will lead to higher productivity at the steel-making operations.

### Colour Coated facility in Jammu & Kashmir

To cater to the growing demand for steel and to support economic development in the state, the Company would set up a 0.12 MTPA colour coated downstream steel facility in Jammu & Kashmir. This will entail a capex of ₹100 crores.

With the completion of the above projects, the Company's overall steelmaking capacity would increase to 30.5 MTPA.

## 9. Mergers and Acquisitions

FY 2020-21 was a successful year on the inorganic growth front, with the Company completing several strategic acquisitions:

Asian Colour Coated Ispat Limited (ACCIL):

- Acquired in October 2020 for ₹1,550 crores through the IBC process
- Pure-play downstream company with a capacity of 1 MTPA, with production facilities in Maharashtra and Haryana
- Major products: Galvanised and colour-coated coils and sheets, mainly for white goods, industrial sheds, pipes, drums and barrels, etc.

Bhushan Power and Steel Limited (BPSL):

- Acquired in March 2021 with current stake of 49% through IBC process. Payment to financial creditors in IBC process for 100% stake was ₹19,350 crores. The cash outgo from the Company was ₹5,087 crores

- Integrated steel producer with liquid steel capacity of over 2.5 MTPA in Jharsuguda, Odisha, primarily flat steel. Downstream facilities in Kolkata and Chandigarh

- Acquisition gives the Company strategic presence in Eastern India

Plate and Coil Mill Division (PCMD) of Welspun Corp Ltd.:

- Acquired for ₹850 crores
- Manufactures high-grade steel plates and coils. Located in Anjar, a port-based facility in Gujarat with a capacity of 1.2 MTPA
- Acquisition enables the Company's entry into different grades of steel products, especially plates.

## 10. Technical Collaboration with JFE Steel Corporation, Japan (JFE)

The strategic collaboration agreement that was signed between JFE and the Company in the year 2010, was one of the largest FDIs in India in the Metals and Mining space.

The strategic technical collaboration with JFE has added significant value to the Company, both in terms of products and services, thereby enriching the product mix of the Company. The Company has developed a wide range of steel for critical auto end-use applications such as outer body panels, bumper beams and other crash resistant components with strength levels up to 980 MPa. The continuous support received from JFE in the form of technical assistance has resulted in expeditious resolution of issues observed during the commercial production/approval of stipulated licensed grades.

The collaboration with JFE has immensely helped the Company in imbibing the technological best practices. It has further created a culture of continuous learning and process improvements, which ensure medium to long-term value creation.

The collaboration has helped the Company to drive excellence in process and product development, improve product quality, productivity, yield and energy efficiency across plants. It has also helped in the standardisation of system parameters towards providing a more sustainable environment and imbibing best practices in safety and waste management.

In the last decade, there has been a tremendous synergy in the working relationship between the two companies both at the strategic and operational level and their working relationship has only become bigger and stronger. The people exchange programme between JFE and the Company has also matured over the years, with seamless sharing of information, knowledge and best practices. Throughout these years of collaboration, JFE Steel's experience and understanding has helped the Company to

consolidate its leadership position in the value-added and special products space in some of the most challenging end-use segments in India, such as Automotive Steel, Electrical Steel and so on.

The partnership with JFE has majorly contributed towards strengthening and establishing the Company as a preferred supplier with large domestic customers in India, which has helped them to localise their steel requirements that were hitherto imported.

JFE has also assisted the Company by providing technology to upgrade products, processes and systems for making high-value-added and special steels such as Advance High Strength Steel and Electrical Steel.

In FY 2020-21, the COVID-19 pandemic caused several disruptions in the global market that forced each company to adopt unique ways to improve efficiency and to become resilient. Under such circumstances, joint collaborations help in learning new practices from each other and implementing them quickly. Remote assistance by JFE experts for solving several operational problems in different plant locations of the Company has been very useful during these times.

During FY 2020-21, JFE has provided technical assistance in the following areas:

- Improvement in Blast Furnace operations at Dolvi and Vijayanagar
- Technical support in low tapping ratio operations due to COVID-19 restrictions and operational guidelines for stable operations during low production
- Technical support provided for Blast Furnace life prolongation, addressing equipment issues, operational issues and improvement of tapping conditions
- Improvement of the Blow in Practices in Blast Furnace in Dolvi Works
- Adoption of best-in-class practices at SMS shop for ferro alloy cost reduction and mechanical property prediction system at Hot Strip Mill

In order to further strengthen the relationship, the Company and JFE Steel are in the process of entering into new technical assistance agreements for quality and process improvements in the Company's Salem unit and Tarapur unit of its wholly-owned subsidiary, JSW Steel Coated Products Limited. While the agreement with the Tarapur unit will focus on tin plate products, the technical assistance with Salem Works of the Company is for Wire and Bar Mill Products.

The Company and JFE have also signed a Memorandum of Understanding to conduct a feasibility study for setting up a manufacturing and sales JV in India for Cold Rolled Grain Oriented (CRGO) Electrical Steel Products. The demand for CRGO in India is met presently by imports. With this facility, the Company is likely to have a first mover advantage to service customers in

India with local steel. This would also strengthen the Company's position as India's leading manufacturer of advance steel products that lead to reduced CO<sub>2</sub> emissions and producing sustainable steel products.

With the huge expansion plan that the Company has embarked on, the collaboration agreement is likely to add immense value to both partners. The partnership with JFE since 2010 has provided the Company cutting-edge technologies and world-class technical expertise to enhance the Company's operational excellence.

## 11. Subsidiary and Joint Venture (JV) Companies

The Company has 51 direct and indirect subsidiaries and eight JVs as on March 31, 2021 and has acquired or incorporated certain domestic subsidiaries during the year. As per the provisions of Section 129(3) of the Act, a statement containing the salient features of the financial statements of the Company's subsidiaries and JVs in Form AOC-1 is attached to the financial statements of the Company. In accordance with provisions of Section 136 of the Act, the standalone and consolidated financial statements of the Company, along with relevant documents and separate audited accounts in respect of the subsidiaries, are available on the website of the Company. The Company will provide the annual accounts of the subsidiaries and the related detailed information to the shareholders of the Company on specific request made to it in this regard by the shareholders.

The details of the major subsidiaries and JVs are given below:

### (A) Indian Subsidiaries

#### 1) JSW Steel Coated Products Limited (JSW Steel Coated)

JSW Steel Coated Products Limited is the Company's wholly-owned subsidiary and caters to both domestic and international markets. With three manufacturing facilities at Vasind, Tarapur and Kalmeshwar in the state of Maharashtra, this Company is engaged in the manufacture of value-added flat steel products comprising tin plates, galvanised and Galvalume coils/sheets and colour-coated coils/sheets. JSW Steel Coated reported a production (Galvanising/Galvalume products/Tin Product) of 1.84 MnT, an increase by 4% y-o-y this year. Its sales volume increased by 17% y-o-y to 2.175 MnT during FY 2020-21. The revenue from operations for the year under review was ₹14,963 crores. The operating EBITDA during FY 2020-21 was ₹1,231 crores as against ₹550 crores in FY 2019-20. The operating EBITDA margin during FY 2020-21 was at 8% compared to 5% in FY 2019-20 primarily due to improved sales mix, higher realisations and lower conversion costs. The net profit after tax stood at ₹733 crores compared to ₹296 crores in the last financial year.

**2) Amba River Coke Limited (ARCL)**

Amba River Coke Limited (ARCL) is a wholly-owned subsidiary of the Company and has set up a 1 MTPA coke oven plant and a 4 MTPA pellet plant. ARCL produced 0.94T of coke and 3.21 MnT of pellet during FY 2020-21. The coke and pellets produced are primarily supplied to the Dolvi unit of the Company. The operating EBITDA for the year under review increased to ₹467 crores due to higher margins as against ₹388 crores in FY 2019-20. Its profit after tax decreased to ₹168 crores in FY 2020-21 from ₹194 crores in the previous year as the higher EBITDA earned was offset by higher depreciation charge and one off tax credit in the previous year on account of a reversal of deferred tax liability due to expected transition to the new tax regime.

**3) JSW Industrial Gases Private Limited (JIGPL)**

JSW Industrial Gases Private Limited (JIGPL) is a wholly-owned subsidiary of the Company. The Company sources oxygen, nitrogen and argon from JIGPL for its Vijayanagar plant. The profit after tax was ₹37 crores in FY 2020-21 as against ₹44 crores in FY 2019-20. The profit after tax reduced as compared to the previous year due to one-time gain in tax credit on account reversal of deferred tax liability due to change in the corporate tax rate.

**4) JSW Vallabh Tinplate Private Limited (JSWVTPL)**

The Company has completed acquisition of 1,32,37,227 equity shares representing 26.45% of the issued and paid-up share capital of JSW Vallabh Tinplate Private Limited (JSW VTPL). As a result, JSW VTPL has become wholly-owned subsidiary of the Company.

It produces tin plates and has a capacity of 1.0 lakh tonnes. With a production of 0.86 lakh tonnes during FY 2020-21 (0.84 lakh tonnes during FY 2019-20), its EBITDA for the year was ₹47 crores compared to ₹47 crores the previous year. Its net profit after tax for FY 2020-21 was ₹18 crores against ₹12 crores in FY 2019-20.

**5) Vardhman Industries Limited (VIL)**

VIL manufactures colour-coating products. Its manufacturing unit is at Rajpura, Patiala in Punjab. VIL has a colour-coating line with a capacity to produce 40,000 tonnes per annum and a service centre to cater to white goods customers in North India.

In FY 2020-21, VIL produced 46,542 tonnes, and its EBITDA stood at ₹30 crores compared to ₹3 crores in FY 2019-20\* Its net profit after tax for FY 2020-21 was ₹25 crores compared to ₹1 crore in FY 2019-20\*.

\* Financial performance FY 2019-20 is calculated from the date of acquisition on December 31, 2019.

**6) Asian Colour Coated Ispat Limited (ACCIL)**

ACCIL manufactures downstream steel products and has two manufacturing units located at Bawal, Haryana and Khopoli, Maharashtra. ACCIL has a capacity of 1 MTPA, with 3 lakh tonnes of cold-rolled steel and colour-coated steel.

The Company has generated an EBIDTA of ₹250 crores from the date of acquisition till March 31, 2021.

**7) Other Projects Being Undertaken by Domestic Subsidiaries**

The Company as part of the its long term growth strategy had initiated a few greenfield projects in the states of West Bengal, Jharkhand and Odisha.

- JSW Bengal Steel Limited (JSW Bengal Steel) – As a part of its overall growth strategy, the Company had planned to set up a 10 MTPA capacity steel plant in phases through its subsidiary, JSW Bengal Steel. However, due to uncertainties in the availability of key raw materials such as iron ore and coal, after the cancellation of the allotted coal blocks the JSW Bengal Steel Salboni project has been put on hold.
- JSW Jharkhand Steel Limited (JSSL) – This was incorporated in relation to the setting up of a 10 MnT steel plant in Jharkhand. The Company is currently in the process of obtaining approvals and clearances necessary for the project.
- JSW Utkal Steel Limited (JUSL) was formed for setting up an integrated steel plant of 12 MTPA steel capacity and a 900 MW captive power plant in Odisha. The Company is in the process of obtaining the necessary approvals and licences for the project.

**(B) Overseas Subsidiaries**

**1) Periana Holdings LLC and Its Subsidiaries Viz. JSW Steel (USA) Inc - Plate and Pipe Mill Operation and its Subsidiaries - West Virginia, USA-Based Coal Mining Operation**

a) Plate and pipe mill operation JSW Steel (USA) is in the process of modernising the existing facilities at Baytown, Texas. The first phase is nearing completion with the cold commissioning completed and the hot commissioning in progress. The second phase of the modernisation of the plate mill has started and expected to be completed

in FY 2022-23. The facility was shut down for part of the year in conjunction with the shutdown at the Ohio steel-making facility, and is now ramping up well.

The unit produced 0.13 million net tonnes per annum (MNTPA) of plates and 0.004 MNTPA of pipes with capacity utilisation of 14% and 1%, respectively. During FY 2020-21, JSW Steel (USA) reported EBITDA loss of US\$ 9.2 million (₹73 crores) compared to the previous year's negative EBITDA of US\$ 31.69 million (₹214 crores). Net loss after tax for FY 2020-21 was US\$ 75.63 million (₹605 crores) compared to net loss after tax of US\$ 117.82 million (₹822 crores) in FY 2019-20.

b) Coal mining operation Periana Holdings LLC has 100% equity interest in coal mining concessions in West Virginia, US along with permits for coal mining and owns a 500 TPH coal-handling and preparation plant. During the year, total production stood at 77,928 NT as against 123,458 NT during FY 2019-20. Its coal mining operations reported EBITDA loss of US\$ 5.52 million (₹43 crores) for the year, compared to EBITDA of US\$ 4.23 million (₹30 crores) in the previous year. Loss after tax stood at US\$ 19.64 million (₹146 crores) vis-a-vis Loss after tax of US\$ 11.31 million (₹80 crores) in FY 2019-20.

**2) Acero Junction Holdings, Inc (ACERO) and its Wholly-Owned Subsidiary JSW Steel USA OHIO Inc (JSWSUO)**

JSWSUO has steelmaking assets consisting of 1.5 MNTPA electric arc furnace (EAF), 2.8 MNTPA continuous slab caster and a 3.0 MNTPA hot strip mill at Mingo Junction, Ohio in USA. The EAF was shut down for part of the year for upgradation. In March 2021, JSWSUO completed the modernisation of EAF and restarted production in mid-March 2021, and is now ramping up well. Majority of the slabs produced from this facility would be supplied to Baytown facility for further value addition in the form of plates and pipes. JSWSUO had entered into a long-term tolling agreement for rolling slabs to HRC with Allegheny Technologies Inc., which has high quality mills and capabilities. This arrangement will provide the flexibility to meet customer requirements, as well as feed the US Plate and Pipe Mill.

It reported a total HRC production of 0.03 MnT during FY 2020-21. JSW Ohio reported an EBITDA loss of US\$ 68.51 million (₹510 crores) compared to EBITDA loss of US\$ 113.07 million (₹792 crores) last financial year. Loss after tax for FY 2020-21 was US\$ 116.09 million (₹863 crores) compared to Loss after tax of US\$ 144 million (₹1,011 crores) in FY 2019-20.

**3) JSW Steel Italy Piombino S.P.A. (JSW Piombino) (Formerly Known As Aferpi S.P.A), Piombino Logistics S.P.A. – A JSW Enterprise (Formerly Known as Piombino Logistics S.P.A.) and Gsi Lucchini S.P.A**

JSW Piombino produces and distributes special long steel products, viz. rails, wire rods and bars. It has a plant at Piombino in Italy, comprising a Rail Mill (0.32 MTPA), Bar Mill (0.4 MTPA), Wire Rod Mill (0.6 MTPA) and a captive industrial port concession. PL manages the logistics infrastructure of Piombino's port area. The port managed by PL has the capacity to handle ships up to 60,000 tonnes. During FY 2020-21, operations generated an EBITDA loss of € 22.65 million (₹191 crores) compared to EBITDA loss of €31.91 million (₹236 crores) last year. Loss after tax for the year amounted to €30.1 million (₹247 crores) against loss after tax of € 49.1 million (₹364 crores) in FY 2019-20.

**(C) Joint Venture Companies**

**1) JSW Ispat Special Steel Products Limited (JISPL) (Formerly Known as Monnet ISPAT & Energy Limited (MIEL))**

In July 2018, the National Company Law Tribunal (NCLT) approved the resolution plan submitted by a consortium comprising the Group and AION Investments Private II Limited for the acquisition of Monnet Ispat and Energy Limited (MIEL) (now known as JSW Ispat Special Products Limited or JISPL). JISPL owns a 1 MnT integrated steel plant with the ability to scale up to 1.5 MnT, along with a 0.8 MnT sponge iron plant, 2.20 MnT pellet plant, a 0.96 MnT sinter plant and a 230 MW captive power plant in Chhattisgarh. The acquisition was completed on August 31, 2018 and currently, the Company directly and indirectly holds 23.1% of the equity shares of JISPL.

JISPL operations turned around during the year and posted the consolidated operating EBITDA of ₹384 crores in FY 2020-21 as compared to EBIDTA loss ₹46 crores in FY 2019-20. The profit after tax was ₹210 crores in FY 2020-21 as compared to loss after tax of ₹492 crores in FY 2019-20.

**2) JSW Severfield Structures Limited and its Subsidiary JSW Structural Metal Decking Limited (JSSL)**

JSW Severfield Structures Limited (JSSL) is operating a facility to design, fabricate and erect structural steel work and ancillaries for construction projects. These projects have a total capacity of 55,000 TPA at Bellary, Karnataka. JSSL produced 33,912 tonnes (including job work) during FY 2020-21. Its

order book stood at ₹1,039 crores (85,043 tonnes), as on March 31, 2021 and EBITDA in FY 2020-21 decreased to ₹41 crores from ₹102 crores in FY 2019-20. The loss after tax for FY 2020-21 was ₹16 crores, as compared to profit after tax of ₹50 crores in FY 2019-20. JSW Structural Metal Decking Limited (JSWSMD), a subsidiary company of JSSL, is engaged in the business of designing and roll forming of structural metal decking and accessories such as edge trims and shear studs. The plant's total capacity is 10,000 TPA. EBITDA in FY 2020-21 decreased to ₹6 crores from ₹12 crores in FY 2019-20. The profit after tax for FY 2020-21 was ₹2 crores compared to ₹9 crores in FY 2019-20.

### 3) JSW MI Steel Service Centre Private Limited (MISI JV)

The Company and Marubeni-Itochu Steel signed a JV agreement on September 23, 2011 to set up steel service centres in India.

The JV Company had started the commercial operation of its steel service centre in western India (near Pune), with 0.18 MTPA initial installed capacity in March 2015. MISI JV has also commissioned its steel service centre in Palwal, Haryana, with 0.18 MTPA initial capacity. The service centre is equipped to process flat steel products, such as hot-rolled, cold-rolled and coated products. Such products offer just-in time solutions to automotive, white goods, construction and other value-added segments. EBITDA in FY 2020-21 was ₹41 crores as compared to ₹21 crores in FY 2019-20. MISI JV earned a profit after tax of ₹18 crores during FY 2020-21 as compared to ₹7 crores during FY 2019-20.

### 4) Bhushan Power and Steel Limited (BPSL)

Pursuant to the Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016, the Resolution Plan submitted by the Company for Bhushan Power and Steel Limited (BPSL) was approved by NCLAT vide order dated September 5, 2019 and subsequently an appeal preferred by the Company has been allowed by NCLAT vide its order dated February 17, 2020. The erstwhile promoters of BPSL, certain operational creditors and the Enforcement Directorate (ED) preferred an appeal before the Hon'ble Supreme Court against the NCLAT Order which are pending for adjudication.

On March 26, 2021 the Company completed the acquisition of BPSL by implementing the resolution plan approved under IBC Code, basis an agreement entered with the erstwhile committee of creditors. This provides an option/right to the Company to unwind the transaction in case of unfavourable ruling on certain specified matters by Hon'ble Supreme Court.

On the basis of the Resolution Plan, the Company has also entered an arrangement with JSW Shipping & Logistics Private Limited (JSLPL) through which the Company and JSLPL holds equity of Piombino Steel Limited (PSL) in the ratio of 49% and 51% respectively, and thus gaining joint control of PSL.

The Company has invested in aggregate ₹5,087 crores in equity shares, Optionally Fully Convertible Debentures (OFCD) and share warrants. PSL has received additional equity contribution from JSLPL, amounting to ₹1,027 crores (including share warrants) and raised further debt. PSL has invested ₹8,550 crores in Makler Private Limited (Makler) and Makler has raised further debt and paid ₹19,350 crores to the financial creditors of BPSL in accordance with the approved Resolution Plan. Pursuant to the merger of Makler with BPSL in accordance with Resolution Plan, BPSL has become a wholly-owned subsidiary of PSL.

BPSL operates a 2.5 MTPA integrated steel plant located at Jharsuguda, Odisha and also has downstream manufacturing facilities at Kolkata, West Bengal and Chandigarh, Punjab.

The Company continues to explore inorganic growth opportunities that meet the operational, financial and sustainable goals of the business.

## 12. Sustainability

Steel is deemed a resource-intensive sector and sustainable operations are highly relevant for steelmakers globally, demanding an efficient business response. The process of steelmaking involves complex activities that require heavy energy utilisation and effective waste and emissions management. The Company is mindful of the impact its operations have on the environment and attempts to minimise its environmental footprint throughout the operations.

The Company's long-term sustainability ambition is guided by a Vision – the Company should demonstrably contribute in a socially, ethically and environmentally responsible way to the development of a society where the needs of all are met, and do so in a manner that does not compromise the ability of the future generation to meet the needs of their own.

The Company's commitment of demonstrating fulfillment of its Sustainability Vision emanates from our Sustainability Strategy, based on seven key elements – leadership, stakeholder engagement, communication, planning, improvement, monitoring and reporting. These seven pillars enable the Company to take well-informed decisions pertaining to ESG while remaining aligned with stakeholder expectations and business growth objectives.

To attain the Sustainability Vision, the Company is developing a Sustainability Framework that takes into consideration the key principles of various fundamental national and international guidelines and frameworks.

The Company has deployed the double materiality exercise to arrive at the material issues. The assessment was undertaken in early 2021 and has reinforced that the Company's current focus areas remain relevant in this ever-changing scenario.

### Sustainability Governance

The Company's sustainability journey is steered by a robust governance structure. The Company has a Board-level Business Responsibility/Sustainability Reporting Committee, which has six Directors and is chaired by an Independent Director. The Company's senior management looks into sustainability-related issues each month via an Executive Committee (EC) and review the progress of key performance indicators. The Company has also created committees/working-groups to address specific issues like the Climate Action Group (CAG) or the Working Group on Waste Management and Circular Economy. The Climate Action Group conducted nine meetings in FY 2020-21.

The Company has clearly defined goals and set ambitious targets against various sustainability Key Performance Indicators (KPIs) for the year 2030. These are further broken down into yearly targets, the progress against which are reviewed, monitored and reported to all stakeholders on an annual basis. About ₹557 crores was earmarked to be spent on Best Available Technologies (BAT) for environmental sustainability during FY 2020-21.

### Tackling Climate Change

With a looming climate crisis in the background, the Company has devised a climate action plan to improve its net carbon emission intensity beyond India's Nationally Determined Contributions (NDC) and achieve more than 41% reduction by 2030 from the base year of 2005.

#### This would be achieved through

- Improvement of input raw material quality through beneficiation
- Increased use of renewable energy
- Increased use of scrap
- Reducing coke in Blast Furnaces (BFs), increased Pulverised Coal Injection (PCI) and Natural Gas (NG) use in BFs
- Energy efficiency and process efficiency improvements through best available technologies
- Continue efforts and collaborations towards development of deep decarbonisation technologies such as Carbon Capture Utilisation/Storage (CCUS), use of hydrogen in iron reduction etc.

The Company has an operating Carbon Capture Utilisation (CCU) plant at Salav facility, which is capturing carbon from the exhaust gases generated by sponge iron operations, treating and converting it to approximately 100 TPD CO<sub>2</sub> (99.5% purity) and selling it to the food and beverage industry for use.

The Company also plans to use renewable energy across steel operations at Vijayanagar by utilising around 800 MW RE (solar + wind) power.

Multiple operational interventions were implemented during the year to further improve on the sustainability performance and aid the achievement of our targets like installation of Waste Gas Recovery at Sinter Plant 4 resulting in fuel saving, increasing TRT power generation by 22.5% from 8.03 MW in FY 2019-20 to 9.84 MW in FY 2020-21 resulting in reduction in purchased power requirement.

### Energy

One crucial intervention to inculcate sustainability in the steelmaking process is decreasing its energy intensity, which also has a direct bearing on the reduction of CO<sub>2</sub> emission. The Company is continually innovating to meet and go beyond the compliances of Perform Achieve and Trade (PAT) mechanism. The Company has voluntarily participated in Step-up Programme by worldsteel Association for efficiency improvement focusing on energy, process reliability, process yield and raw material quality and benchmarking performance together with companies in the top 15 percentile across the world. Increasing usage of non-conventional sources for energy such as waste-gas heat recover technologies is reducing the Company's energy intensity.

### Product Sustainability

The Company has made Environmental Product Declarations (EPDs) for its products (Hot Rolled Coils and Cold Rolled Closed Annealed) and completed life-cycle assessment for 14 products. It communicates its environmental impacts transparently to all stakeholders. Currently, the Company is working on TMT bars and other construction materials covered through GreenPro Eco-labelling to demonstrate its superior environmental and sustainability performance. The Company endeavours to deliver sustainability through its high quality value added products like tin plate products, Advanced High-Strength Steels, high end corrosion resistance steel, Electrical steel etc., enabling the Company to meet its commitment towards sustainability throughout the value chain.

### Circular Economy and Resource Conservation

The Company has adopted an integrated strategy towards efficient waste and wastewater management focusing on 'Zero waste to Landfill' and 'Zero Liquid Discharge', with technological innovations like using plastic waste in steel melting process, use of steel by-products in making of paver blocks, replacement of river sand, and so on. The Company has established the process for utilisation of dry pit slag of blast furnace as a replacement of natural aggregate. The Vijayanagar facility is also conducting a study for the utilisation of steel slag as fertiliser in coordination with the government and other industry leaders.

### Water Management

All facilities follow Zero Liquid Discharge principles. While more than 50% of the revenue comes from sites operating in water-stressed regions, the Company has cautiously taken steps to enhance water conservation and harvesting in these regions. The Company has developed critical infrastructure necessary for water conservation both inside and outside plant boundaries together with environmental infrastructure in the community and mines such as check dams, gabions, coir matting. The plants have extensive water management plans in place which accelerate water conservation. The Company has implemented a project wherein the sewage water of the township at Vijayanagar is being processed and used as process water in operations. The Company will soon be replicating and scaling up this across other townships at Vijayanagar.

### Air Emissions

The Company continues to upgrade and implement better pollution control systems while seeking expansion and improvement. From introducing mobile de-dusting systems to installation of yard sprinklers to large scale interventions like installation of MEROS, de-dusting systems, the Company has been able to consistently manage its air emissions efficiently.

In Vijayanagar, in Raw Material Handling System (RMHS), a de-dusting system of capacity 1,50,000 m<sup>3</sup>/h was commissioned at 5MT JH14-15. It covers around 50-60 dust sources effectively and attains work zone emissions at less than 2mg/m<sup>3</sup>.

In Dolvi, RMHS open yards are going to be fully covered with conventional/space frame covered shed. Covered storage shed will prevent dust emission in the environment during operation of the yard.

In Salem, installation of mobile de-dusting system in the Blast Furnace resulted in reduction of fugitive emission from 12,500 ug/m<sup>3</sup> to 3,200 ug/m<sup>3</sup>.

### Biodiversity

With a target for 2030 of achieving no net loss to biodiversity, the Company continuously looks for opportunities to enhance the biodiversity by deploying techniques of Miyawaki plantations, mangrove plantations and other plantations of high carbon sequestration species. The Company has Biodiversity Management Plans and has facilitated monitoring of wildlife with the help of cameras, forest tankers and patrolling vehicles. The Company reports on the 10-point framework of Indian Business and Biodiversity Initiative (IBBI) biennially and has also aligned with 12 National Biodiversity Targets (NBTs). The Company has collaborated with People for Environment and Bombay Natural History Society to enhance biodiversity.

The Company plans to incubate a biodiversity park at Vijayanagar to provide a safe compound for native species and accelerate the process of carbon sequestration.

### Capacity Building

The Company is focused on strengthening its internal capacity as well as that of its business partners relating to sustainability issues. In the same light, the Company conducts regular webinars, discussion fora and external-capacity building programmes especially curated to suit the needs of the organisation by globally-renowned facilitators such as the Global Reporting Initiative (GRI).

### Health & Safety

For the Company, employees' and contractors' health, safety, and well-being are a top priority. The Company has witnessed a steady decline in LTIFR from 0.42 in FY 2017-18 to 0.26 in FY 2020-21. The Company's Health and Safety Vision is: 'Vision 000', which aims at three goals – to achieve zero major accidents, zero injuries, and zero harm.

The Company has initiated a certification programme for line managers as 'Safety Champions' in collaboration with British Safety Council to develop line managers as safety ambassadors at the workplace.

As a leading steel manufacturer, it is extremely critical that the Company works with the right partners at sites. To achieve this, the pre-qualification assessment of contractors has been revised to reflect the enhanced safety requirements in line with the contractor safety management strategy. Once the pre-qualified contractors start working at locations, they are assessed through the JSW CARES Program. JSW CARES (Contractor Assessment and Rating for Excellence in Safety) is a key contractor safety management initiative launched as a progressive capability building tool for contractors to improve and excel in their respective safety management systems and performance.

In FY 2020-21, high-risk safety audits by the British Safety Council were conducted across Salem and Dolvi. At Dolvi, the Company has engaged DuPont Sustainable Solutions (DSS) for developing Centre of Excellence (CoE) in Process Safety Management.

### Social interventions

The Company carries out its social and out of fence environment initiatives through JSW Foundation, following a holistic life-cycle based approach. The interventions range from strengthening educational institutions to provisioning of secondary & tertiary healthcare and strengthening of public health system, helping communities to access basic sanitation & promoting hygiene, contributing towards water and environment conservation, facilitating women-centric livelihoods and, promoting agribusiness approach.

In the last four financial years, the Company has consistently increased the share of CSR expenditure. The CSR spend has increased every year from ₹43 crores in FY 2016-17 to ₹139.73 crores in FY 2019-20. During the current financial year, the Company has spent an amount of ₹78.32 crores towards CSR expenditure,

and an additional ₹86.49 crores was transferred to the unspent CSR account for executing ongoing projects. The Company's CSR interventions have reached out to communities across more than 255 villages in five states of India with following key outcomes:

- 1 million families supported during COVID-19
- 7.95 lakh cubic metre additional water storage capacity created
- 7100 farmers supported with ~1800 tonnes of commodities linked to markets
- ~57000 people reached out through health screening services
- ~2400 students supported through JSW UDAAN Scholarship for pursuing Higher education
- 139,000 applications facilitated for linking with Government support schemes

A significant part of the Company's CSR philosophy is community- and employee volunteer-driven. The employee engagement is across various initiatives e.g. support to the neonatal care unit at Bellary Government Hospital, waste collection drive, sanitation drives, mangrove plantation, awareness building programmes for local communities and other such activities. In the last fiscal, to combat COVID-19, Vijayanagar set-up three dedicated care centres in the township to provide medical aid to infected patients. Additionally, doorstep awareness sessions were conducted for over 38,000 people from 7,100 households in 13 villages, and 75,000 masks were distributed across 21 villages. With Akshaypatra Kitchen, over 5,80,000 meals were provided (16,000 meals per day) during the lockdown period. The facility also supplied 320 tons/day of oxygen supply across Karnataka and in neighbouring states.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated January 22, 2021 in CSR Rules, 2014, company has adopted a revised CSR policy in line with the above changes. The policy has been approved by the Company's Board of Director and the same is now available at the website of the Company at <https://www.jswsteel.in/investors/jsw-steel-governance-and-regulatory-information-policies-0>

In view of the solid foundation laid for the long-term projects in this fiscal and the envisioned scaling up of the on-going CSR projects, the Company will continue to create value for its and further for a wider range of stakeholders. The disclosure as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) is annexed to this Report as Annexure C.

Sustainability resides at the heart of JSW Steel. Recognising the potential impact that a company of a scale as large as JSW Steel can create, the Company aims to continuously monitor, improve, report and accelerate growth in the ESG domain. A detailed review of the ESG performance and strategy can be accessed in the Integrated Report.

### 13. Innovation and Technology

The Company continued its innovation journey with vigour in FY 2020-21. Following the disruptions induced by the pandemic, this financial year turned out to be one of 'Digital Awareness' across the world as digitalisation accelerated globally in the new normal. In FY 2020-21, the Company extended its digitalisation drive across new frontiers while consolidating and ensuring consistent impact from earlier deployed initiatives. Across all the integrated plants, sales and marketing and other support functions, JSW employees participated in the journey with vigour and enthusiasm.

Nearly 6000+ employees have directly engaged in the cultural transformation journey, with 200+ digital ideas being generated in-house by plants and functions teams. This was further matched by deploying some of the world's best and most cost-effective cutting-edge technology solutions such as Artificial Intelligence/ Machine Learning, Fog Computing, Deep Learning, Internet of Things (IoT), Computer Vision, Robotics and so on.

### 14. Human Resources

A Company's continued success depends on the ability to attract, develop and retain the best talent at every level. The Company's Human Resource (HR) management practices are rooted in ensuring a fair and reasonable process for all-round development of its talent. The Company strives to maintain a skilled and dedicated workforce, representing diverse experiences and viewpoints. During the year, the Company continued to introduce initiatives and tools that helped continuous learning and the development of new skills.

In the backdrop of the pandemic and the way it impacted life across the world, the HR initiatives increasingly focused on supporting employee well-being. Initiatives like maintaining a safe work environment, providing healthcare facilities and enabling end-to-end work-from-home facility for a large section of the human capital remained the focus.

The Company finds it imperative to follow policies and regulations that produce an unbiased and safe work environment. In the last fiscal, the Company focused on building systems and tools that help track career paths, provide guidance to develop new skills, educate employees on varied topics and recognise and reward top performers.

A detailed report on Human Resource Management and initiatives implemented through the fiscal is included as part of the Management Discussion and Analysis.

### 15. Integrated Report

The Securities and Exchange Board of India (SEBI), in its circular dated February 6, 2017, had advised the top 500 listed companies (by market capitalisation) to voluntarily adopt Integrated Reporting (IR) from FY 2017-18. The Company published its first Integrated Report the same year in line with the International Integrated Reporting Framework laid down by the

International Integrated Reporting Council (IIRC). The framework pivots the Company's reporting approach around the paradigm of value creation and its various drivers. It also reflects the Company's belief in sustainable value creation while integrating a balanced utilisation of natural resources and social development in its business decisions. An Integrated Report intends to give a holistic picture of an organisation's performance and prospects to the providers of financial capital and other stakeholders. It is thus widely regarded as the future of corporate reporting. The previous Integrated Reports of the Company have been well-received by various stakeholders and have been recognised internationally for its disclosures. Over the past four years, the reporting approach of the Company has further evolved. Together with the integrated reporting framework, its disclosures have been mapped with other leading frameworks and guidelines.

**These include:**

- Global Reporting Initiative (GRI) Standards
- United Nations Sustainable Development Goals (UN SDGs)
- Carbon Disclosure Project (CDP)
- Principles under United Nations Global Compact (UNGC)
- National Guidelines on Responsible Business Conduct (NGRBC)

The necessary disclosures under these guidelines, together with the articulation of Company's approach to long-term value creation, has improved the Company's corporate reporting practices.

**16. Corporate Governance**

The Company constantly endeavours to follow corporate governance guidelines and best practices sincerely and disclose the same transparently. The Board is conscious of its inherent responsibility to disclose timely and accurate information on the Company's operations, performance, material corporate events as well as on leadership and governance matters relating to the Company.

The Company has complied with the requirements of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 regarding corporate governance. A report on the Company's Corporate Governance practices and the Auditors' Certificate on compliance of mandatory requirements thereof are given as an annexure to this Report and the same is also available on the website of the Company at <https://www.jswsteel.in/investors/>.

**17. Business Responsibility/ Sustainability Report**

The Company is committed to pursuing its business objectives ethically, transparently and with accountability to all its stakeholders. It believes in demonstrating responsible behaviour while adding value to the society and the community, as well as ensuring environmental well-being from a long-term perspective.

The Business Responsibility Report (BRR) of the Company was being presented to the stakeholders as per the requirements of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 describing the environmental, social and governance initiatives taken by the Company. In its circular dated February 6, 2017, SEBI has further advised the top 500 listed companies (by market capitalisation) to voluntarily adopt Integrated Reporting (IR) from FY 2017-18. Subsequently SEBI vide its Notification dated December 26, 2019 and consequent amendments carried out to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, has made the Business Responsibility and Sustainability Report applicable to the top 1,000 listed entities (by market capitalisation) for reporting on a voluntary basis from FY 2021-22 and on a mandatory basis from FY 2022-23.

As stated earlier in the Report, the current financial year marks the fourth year of the Company's transition towards Integrated Reporting, focusing on the 'capitals approach' of value creation. The fourth Integrated Report includes the Company's performance as per the IR framework for the period April 1, 2020 to March 31, 2021.

The Company has also provided the requisite mapping of principles of the National Guidelines on Responsible Business Conduct to fulfil the requirements of the BRR as per SEBI's directive as well as guidelines for integrated reporting and the Global Reporting Initiative (GRI). The Report which forms a part of the Annual Report, can along with all the related policies, be also viewed on the Company's website <https://www.jswsteel.in/investors/>.

**18. Directors and Key Management Personnel**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Seshagiri Rao M.V.S. (DIN 00029136), retires by rotation at the forthcoming Annual General Meeting (AGM) and, being eligible, offers himself for re-appointment.

Mr. Seturaman Mahalingam (DIN 00121727), who was appointed as Director of the Company in the category of Independent Director, holds office up to the conclusion of the ensuing AGM of the Company ('first term' in terms of Section 149(10) of the Companies Act, 2013).

The Company has received a notice under Section 160 of the Companies Act, 2013 from a shareholder of the Company proposing the re-appointment of Mr. Seturaman Mahalingam for the Office of Director of the Company in the category of Independent Director for a second term up to July 20, 2026 or up to the conclusion of the 32nd AGM of the Company in the calendar year 2026, whichever is earlier.

Further, in the opinion of the Board, Mr. Seturaman Mahalingam is a person of high integrity, expertise and experience and qualifies to be appointed as an Independent Director of the Company.

In terms of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have enrolled themselves on the Independent Directors' Databank and will undergo the online proficiency self-assessment test within the specified timeline unless exempted under the aforesaid Rules.

The proposals regarding the re-appointment of the aforesaid Directors are placed for the approval of the Shareholders.

Karnataka State Industrial Infrastructure and Development Corporation Limited (KSIIDC) had nominated Mr. M.S. Srikar, IAS (DIN 07882939) as its nominee on the Company's Board with effect from October 23, 2020 in place of Mr. Gangaram Baderia, IAS, whose nomination was withdrawn w.e.f. October 7, 2020. KSIIDC subsequently withdrew the nomination of Mr. M.S. Srikar (vide letter dated February 19, 2021) and nominated Dr. V. Ram Prasath Manohar, IAS (DIN 08079851) as its nominee on the Company's Board with effect from May 21, 2021.

Your Directors place on record their deep appreciation of the valuable services rendered by Mr. Gangaram Baderia, IAS and Mr. M.S. Srikar, IAS during their tenure on the Board of the Company.

There were no changes in the Key Managerial Personnel of the Company during the year under review.

Further, disclosures with respect to the remuneration of Directors, KMPs and employees as required under section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure E to this Report.

**19. Policy on Directors' Appointment and Remuneration**

Matching the needs of the Company and enhancing the competencies of the Board are the basis on which the Nomination and Remuneration Committee selects a candidate for appointment to the Board.

The current policy is to have a balanced mix of Executive and Non-Executive Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As at March 31, 2021 the Board of Directors comprises 12 Directors, of which eight are Non-Executive, including two women Directors and two Nominee Directors. The number of Independent Directors is six, which is one half of the total number of Directors.

The policy of the Company on Directors' appointment, including criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is governed by the Nomination Policy. The remuneration paid to the Directors is in accordance with the Remuneration Policy of the Company.

More details on the Company's policy on Director's appointment and remuneration and other matters provided in Section 178(3) of the Act have been disclosed in the Corporate Governance Report, which forms a part of this Report.

**20. Declaration of Independent Directors**

The Company has received necessary declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**21. Board Evaluation:**

The Board carried out an annual evaluation of its own performance, the performance of the Independent Directors individually as well as an evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. Details of the same are given in the Report on Corporate Governance annexed hereto.

**22. Auditors and Auditor's Report**

**(A) Statutory Auditor's and Audit Report**

At the Company's 23rd AGM held on June 29, 2017, M/s. S R B C & CO. LLP (324982E / E300003), Chartered Accountants, has been appointed as the Statutory Auditor of the Company for a term of 5 years to hold office from the conclusion of the 23rd Annual General Meeting until the conclusion of the 28th Annual General Meeting of the Company.

The Notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark, or disclaimer.

The Statutory Auditors have not reported any instance of fraud committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

**(B) Cost Records & Cost Auditor**

Pursuant to Section 148(1) of the Companies Act, 2013 the Company is required to maintain cost records as specified by the Central Government and accordingly such accounts and records are made and maintained.

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is also required to get its cost accounting records



audited by a Cost Auditor. Accordingly, the Board, at its meeting held on May 21, 2021 has on the recommendation of the Audit Committee, re-appointed M/s. Shome & Banerjee, Cost Accountants, to conduct the audit of the cost accounting records of the Company for FY 2021-22 on a remuneration of ₹18,50,000 plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses. The remuneration is subject to the ratification of the Members in terms of Section 148, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed before the Shareholders for ratification. The due date for filing the Cost Audit Report of the Company for the financial year ended March 31, 2020 was September 30, 2020 and the Cost Audit Report was filed in XBRL mode on August 17, 2020.

### (C) Secretarial Auditor & Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. S. Srinivasan & Co., a firm of Company Secretaries in Practice, to undertake the secretarial Audit of the Company for FY 2020-21. The Report of the Secretarial Audit is annexed herewith as Annexure B. The Report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

The Board, at its meeting held on May 21, 2021, has re-appointed M/s. S. Srinivasan & Co., as Secretarial Auditor, for conducting Secretarial Audit of the Company for FY 2021-22.

### Secretarial Audit of Material Unlisted Indian Subsidiary

M/s. Vanita Sawant & Associates, Practicing Company Secretaries, had undertaken Secretarial Audit of the Company's material subsidiary i.e., JSW Steel Coated Products Limited for FY 2020-21. The Audit Report confirms that the material subsidiary has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances. As per the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Report of the Secretarial Audit is annexed herewith as Annexure B 1.

### Annual Secretarial Compliance Report

During the period under review, the Company has complied with the applicable Secretarial Standards notified by the Institute of Company Secretaries of India. The Company has also undertaken an audit for FY 2020-21 pursuant to SEBI Circular No. CIR/CFD/CMO/I/27/2019 dated February 8, 2019 for all applicable compliances as per the Securities and Exchange Board of India Regulations and Circular/ Guidelines issued thereunder. The Report (Annual Secretarial Compliance Report) has been submitted to the Stock Exchanges within 60 days of the end of the financial year ended March 31, 2021.

### 23. Risk Management

The Company follows the globally recognised 'COSO' framework of Enterprise Risk Management (ERM). ERM brings together the understanding of the potential upside and downside of all those factors which can affect the organisation with an objective to add maximum sustainable value to all the activities of the organisation and to various stakeholders.

The Company recognises that the emerging and identified risks need to be managed and mitigated to –

- Protect its shareholders and other stakeholders' interest
- Achieve its business objective
- Enable sustainable growth

Pursuant to the requirement of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, the Company has a Risk Management Framework in place. It has constituted a sub-committee of Directors to oversee the ERM framework to ensure resilience such that –

- Intended risks are taken prudently so as to plan for the best and be prepared for the worst
- Execution of decided strategies and plan with focus on action
- Unintended risks like performance, incident, process and transaction risks are avoided, mitigated, transferred (like in insurance) or shared (like through sub-contracting). The probability or impact thereof is reduced through tactical and executive management, policies, processes, inbuilt systems controls, MIS, internal audit reviews etc.

### 24. Internal Controls, Audit And Internal Financial Controls

#### (A) Overview

The Company has a robust system of internal control, commensurate with the size and nature of its business and complexity of its operations.

#### (B) Internal Control

The Company has a proper and adequate system of internal control. Some significant features of the internal control systems are:

- Preparation of annual budgets and its regular monitoring
- Control over transaction processing and ensuring integrity of accounting system by deployment of an integrated ERP system
- Well documented authorisation matrix, policies, procedures and guidelines covering all important operations of the Company
- Deployment of compliance tool to ensure compliance with laws, regulations and standards
- Ensuring reliability of financial information by testing of internal financial controls over reporting by Internal Auditors and Statutory Auditors
- Adequate insurance of the Company's assets / resources to protect against any loss
- A comprehensive Information Security Policy and continuous updation of IT systems
- Oversight by Board appointed Audit Committee which comprises Independent Directors who are experts in their respective fields. The Audit Committee regularly reviews audit plans, significant audit findings, adequacy of internal controls and monitors implementation of audit recommendations

#### (C) Internal Audit

The Company has a strong and independent internal audit function that inculcates global best standards and practices of international majors into the Indian operations. The Internal Audit team consists of professionally qualified accountants and engineers. The Chief Internal Auditor reports directly to the Chairman of the Audit Committee. The team has successfully integrated the COSO framework in its audit process to enhance the quality of its financial reporting, compatible with business ethics, effective controls and governance.

The Company extensively practices delegation of authority across its team, which creates effective checks and balances within the system to arrest all possible gaps. The Internal Audit team has access to all information in the organisation – this is largely facilitated by ERP implementation across the organisation.

#### (D) Audit Plan And Execution

At start of the year, the Internal Audit Department prepares an Annual Audit Plan after considering Business and Process Risks. The frequency of the audit is decided by risk ratings of areas/functions. The audit plan is carried out by the internal team and reviewed periodically to include areas that have assumed significant importance in line with the emerging industry trend and the aggressive growth of the Company. In addition, the Audit Committee also places reliance on a few internal audits carried out by external firms.

#### (E) Internal Financial Controls

As per Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented a robust system and framework of internal financial controls.

The Company has already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity-level policies, processes controls, IT general controls and Standard Operating Procedures (SOPs).

The entity-level policies include anti-fraud policies (such as code of conduct, conflict of interest, confidentiality and whistle blower policy) and other policies (such as organisation structure, insider trading policy, HR policy, IT security policy, treasury policy and business continuity and disaster recovery plan). The Company has also prepared a risk control matrix for each of its processes such as procure to pay, order to cash, hire to retire, treasury, fixed assets, inventory, manufacturing operations, etc.

These internal controls are reviewed by Internal Auditors every year. The Company has carried out evaluation of design and effectiveness of these controls and has noted no significant material weaknesses or deficiencies that can impact financial reports.

### 25. Fixed Deposits

The Company has not accepted any fixed deposits from the public. Therefore, it is not required to furnish information in respect of outstanding deposits under Non-banking, Non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Accounts) Rules, 2014.

### 26. Share Capital

The Company's authorised share capital during the financial year ended March 31, 2021, remained at ₹9015,00,00,000 (Rupees Nine Thousand Fifteen crores only) consisting of ₹6015,00,00,000 (Rupees Six Thousand Fifteen crores only) equity shares of ₹1/- (Rupee One only) each and ₹300,00,00,000 (Three Hundred crores) preference shares of ₹10/- (Rupees Ten only) each.

The Company's paid-up equity share capital remained at ₹241,72,20,440 comprising of 241,72,20,440 equity shares of ₹1 each, whereas the paid-up preference share capital of the Company as at the financial year ended March 31, 2021 is Nil.

## 27. Foreign Currency Bonds

During the year under review, the Company's subsidiary, Periana Holdings LLC, issued 5.95% Fixed Rate Senior Unsecured Notes guaranteed by the Company, aggregating to US\$ 750 million, due in April 2026.

As on March 31, 2021, the outstanding Notes issued by the Company are aggregating to US\$ 1,400 million and outstanding Notes issued by the Company's subsidiary are aggregating to US\$ 750 million. All the outstanding Notes issued in the international market are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

## 28. Issuance of Non-Convertible Debentures

During the year under review, the Company issued and allotted 10,000, 8.50% Rated, Listed, Unsecured, Redeemable, Non-Convertible Debentures (NCDs) of ₹10,00,000 each of the Company, aggregating to ₹1,000 crores (Rupees One Thousand crores) and 40,000, 8.50% Rated, Listed, Secured, Redeemable, Non-Convertible Debentures (NCDs) of ₹10,00,000 each of the Company, aggregating to ₹4,000 crores (Rupees Four Thousand crores) to investors on private placement basis.

As on March 31, 2021, the outstanding NCDs are aggregating to ₹10,000 crores. All the outstanding NCDs are listed on BSE Limited.

## 29. Credit Rating

In April 2020, Moody's Investors Service had placed Ba2 Corporate Family Rating and Senior Unsecured Bond Rating due in 2022, 2024 and 2025, respectively, under review for downgrade. In July 2020, Moody's Investors Service reaffirmed Corporate Family Rating and Senior Unsecured Bond Rating at Ba2, with outlook changed to Negative. In March 2021, the agency reaffirmed the ratings at Ba2, with outlook changed to Stable.

Also in May 2020, Fitch Ratings downgraded the Company's long-term Issuer Default Rating (IDR) and Senior Unsecured Bond rating due in 2022, 2024 and 2025, respectively, to BB-, with a Negative outlook. Fitch Ratings vide their release dated May 19, 2021 has reaffirmed the Company's rating at BB- with outlook revised to Positive.

The short-term debt / facilities of the Company continue to be rated at the highest level of "A1+" by CARE Ratings and ICRA Ltd. In September 2020, the domestic credit rating for long-term debt facilities/ NCDs was reaffirmed at "CARE AA-" with Stable outlook by CARE Ratings. In December 2020, the domestic credit rating for long-term debt facilities/ NCDs was reaffirmed by ICRA Ltd at "ICRA AA-" with outlook changed from Negative to Stable. In March 2021, the domestic credit rating for long-term debt facilities/ NCDs by ICRA Ltd was again reaffirmed at "ICRA AA-" with outlook changed from Stable to Positive.

In September 2020, India Ratings and Research has assigned long-term issuer rating and rating for the outstanding NCDs of the Company as "IND AA" with Negative outlook. Further in March 2021, the agency reaffirmed rating at "IND AA", with outlook changed to Stable.

## 30. Employee Stock Option Plan

The Board of Directors of the Company, at its meeting held on January 29, 2016, formulated the JSWSL Employees Stock Ownership Plan - 2016 (ESOP Plan), to be implemented through the JSW Steel Employees Welfare Trust (Trust), with an objective of enabling the Company to attract and retain talented human resources by offering them the opportunity to acquire a continuing equity interest in the Company, which will reflect their efforts in building the growth and the profitability of the Company. The ESOP Plan involves acquisition of shares from the secondary market.

A total of 2,86,87,000 (Two crores Eighty-Six Lakhs Eighty-Seven Thousand) options were available for grant to the eligible employees of the Company and its Director(s), excluding Independent Directors and promoter Directors, and a total of 31,63,000 (Thirty-One Lakh Sixty Three Thousand) options were available for grant to the eligible employees of the Indian Subsidiaries of the Company and their Director(s), excluding Independent Directors, under the ESOP Plan.

Accordingly, 1,59,44,271 options have been granted over a period of three years under this plan by the JSWSL ESOP Committee to the eligible employees of the Company and its Indian subsidiaries, including the Whole-time Directors of the Company. The details of the ESOPs granted to Mr. Seshagiri Rao M.V.S, Dr. Vinod Nowal and Mr. Jayant Acharya, Whole-time Directors of the Company, are as given in the given table. The grant of ESOPs to the Whole-time Directors of the Company has been approved by the Nomination and Remuneration Committee and the Board.

JSWSL ESOP Committee Meeting	Total options granted	Options granted to Whole-time Directors of the Company		
		Mr. Seshagiri Rao M.V.S	Dr. Vinod Nowal	Mr. Jayant Acharya
May 17, 2016 (1 <sup>st</sup> Grant)	7,436,850	192680	179830	179830
May 16, 2017 (2 <sup>nd</sup> Grant)	5,118,977	127968	127968	119436
May 15, 2018 (3 <sup>rd</sup> Grant)	3,388,444	87841	87841	81985
<b>Total</b>	<b>15,944,271</b>	<b>408489</b>	<b>395639</b>	<b>381251</b>

As per the ESOP Plan, 50% of these options will vest at the end of the third year and the balance 50% at the end of the fourth year. The applicable disclosures relating to ESOP plan of 2016, as stipulated under the ESOP Regulations, pertaining to the year ended March 31, 2021, is posted on the Company's website at <https://www.jswsteel.in/investors/> and forms a part of this Report.

Voting rights on the shares, if any, as may be issued to employees under the aforesaid ESOP Plans are to be exercised by them directly or through their appointed proxy. Hence, the disclosure stipulated under Section 67(3) of the Companies Act, 2013 is not applicable.

There is no material change in the aforesaid ESOP Plans and the same are in compliance with the ESOP Regulations.

The Certificate from the Statutory Auditors of the Company certifying that the Company's Stock Option Plans are being implemented in accordance with the ESOP Regulations and the resolution passed by the Members, would be available for inspection during the meeting in electronic mode and the same may be accessed upon login to <https://evoting.kfintech.com>

## 31. JSWSL Employees Samruddhi Plan 2019

The JSWSL Employees Samruddhi Plan 2019 ("Plan") was approved by a special resolution passed by the shareholders of the Company by way of a postal ballot on May 17, 2019. The Plan has been effective from April 1, 2019. The scheme is a one-time scheme applicable only for permanent employees of the Company, working in India (excluding an employee who is a promoter or a person belonging to the promoter group, a probationer and a trainee) in the grade L01 to L15 ("Eligible Employee"), who were not covered under the earlier JSWSL Employees Stock Ownership Plan - 2016.

The Indian subsidiary companies have a similar scheme to cover their employees. The Company, in terms of the applicable provisions of the Companies Act, 2013 ("Act"), the rules framed thereunder and all other applicable rules and regulations, including those issued by the SEBI, to the extent applicable, has implemented the Plan, wherein the Eligible Employee will be eligible to acquire equity shares of face value ₹1 each directly from the open market.

The Eligible Employee will be able to purchase the equity shares from the open market by availing a loan provided by a bank / non-banking financial institution ("Lending Agency") and a broker identified by the Company to facilitate acquisition of equity shares by the Eligible Employees under the Plan. The

equity shares bought by the Eligible Employee will be subject to a lien in favour of the Lending Agency for a period of two years. After expiry of the said period of two years, the Eligible Employee can either repay the entire loan amount, after which the equity shares will become free of the lien, or the Lending Agency will recover the principal amount by selling the equity shares and will transfer the difference, if any, between the principal amount and the sale value (i.e. market price as on the date of the sale x no. of equity shares sold) to the Eligible Employee. The interest on the loan will be serviced by the Company and the Eligible Employee in the ratio of 3:1 (the Company will bear 75% of the total interest liability owed to the Lending Agency and the balance 25% will be borne by the Eligible Employee).

The Plan is being administered through the existing JSW Steel Employee Welfare Trust in accordance with applicable laws. The number of equity shares that are the subject matter of the Plan in terms of the approval accorded by the Members by way of a postal ballot on May 17, 2019, shall not be more than 1,24,97,000 representing 0.517% of the issued equity share capital of the Company.

As on March 31, 2021, the outstanding number of shares under the Plan stands at 66,98,000 shares subscribed by 5,638 employees.

## 32. Awards

### Vijayanagar

- CII National Award 2020 for Excellence in Energy Management (Metal Sector) for plants that achieve excellence in energy conservation
- Golden Peacock Award 2020 for Energy Efficiency in Steel Sector for encouraging initiatives in promoting activities relating to energy efficiency improvement
- CII National Award for Excellence in Water Management 2020 for pre-eminence in the field of water resource management
- Awarded the Second Prize at IIM National Sustainability Award for best quality and registering highest product development and environmental performance
- Mr. S P Singh, recognised with IIM - SMS Demag Excellence Award for outstanding contribution to the Iron and Steel Industrial sector
- Mr. A Srinivas Rao, honoured with IIM - TSL New Millennium Iron Award for outstanding and original contribution in the area of blast furnace based iron making

- Misrilal Jain Environment Award (FIMI Awards) for efforts towards environmental protection and management
- Outstanding performance by Quality Circle teams at State, National and International Forums

The improvement projects were presented at State, National and International forums through video conference. The summary is described below.

- **State Level**  
30 Gold and 5 Silver Awards with highest participation (single location) and highest number of Gold Awards in the Karnataka region
- **National Level**  
16 Par Excellence, 13 Excellence and one Distinguished Award
- **International Level**  
11 Platinum Awards

#### Dolvi

- National Level Award at CII SIXSIGMA competition held in September 2020 for Six Sigma project on longitudinal crack reduction at CSP Caster
- 25 Quality Circle teams won Gold Award at CCQC-2020 competition held in September 2020 and 23 Quality Circle teams won Par Excellence/ Excellence awards at National Convention on Quality Concepts (NCQC-2020) competition held in November 2020

#### Salem

- 7 teams that participated in the International Convention on Quality Control Circles won Platinum awards
- 16 teams nominated for NCQC; 13 won Par Excellence and 3 won Excellence Awards
- In the state level Quality Circle Convention, 25 teams were nominated and 23 won Par Excellence and 2 won Excellence Awards
- IMC Ramakrishna Bajaj National Quality award for MQH Best practices: Best innovative project under manufacturing category for the project "Manufacture of Paver Block from steel-making Slag – Waste to Wealth"
- 2nd runner up at ISQ TOPS convention I for the project from SMS "Ferro alloy cost optimisation in Rail steel grades"
- 1st & 2nd runner up awards at ISQ TOPS Convention II for the project from BRM ("Pass life improvement in NTM stand #28") and BF ("Enhancing PCI rate in BF#1")
- Kaizen competition (organised by ABK-AOTS DOSOKAI): Five teams (PPC, Materials, Admin, IT, Security and HR) clinched awards

#### Other Awards

The Company is the only Indian company ranked among the top 10 steel-producers in the world by World Steel Dynamics for the last 10 consecutive years. The Company has been widely recognised for its business and operational excellence. Key honours and awards include:

- World Steel Association's Steel Sustainability Champion for three consecutive years – 2020, 2019, 2018
- Deming Prize for Total Quality Management at Vijayanagar and Salem
- Carbon Disclosure Project (CDP) rated JSW Steel Ltd. at Leadership Level (A-) signifying the implementation of current best practices to mitigate climate change
- Golden Peacock Award for Sustainability 2020
- Recognition of the Integrated Report FY 2019-20 as the world's best Integrated Report in the Materials space (Platinum category) in its class by League of American Communications Professionals LLP
- Marked its entry into The Sustainability Yearbook 2021 released by S&P Global

#### 33. Directors' Responsibility Statement

Pursuant to the requirements under Section 134, sub-section 3(c) and sub-section 5 of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state and confirm that:

- In the preparation of the annual accounts, the applicable Accounting Standards have been followed, along with proper explanation relating to material departures.
- Such accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent to give a true and fair view of the Company's state of affairs as on March 31, 2021 and of the Company's profit or loss for the year ended on that date.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual financial statements have been prepared on a Going Concern Basis.
- Internal financial controls were laid down to be followed and that such internal financial controls were adequate and operating effectively.
- Proper systems were devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 34. Related Party Transactions

All Related Party Transactions (RPT) that were entered into during the financial year were on an arm's length basis and predominantly in the ordinary course of business. Specific approvals as required under the Companies Act, 2013, has been obtained for transactions that are not in the ordinary course of business.

The policy on dealing with RPT as approved by the Board is uploaded on the Company's website (<https://www.jsw.in/investors/investor-relations-steel>). The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This policy specifically deals with the review and approval of RPT, keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All RPT are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for RPT that are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. All RPT are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of RPT under the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The disclosure of material RPT is required to be made under Section 134(3)(h) read with Section 188(2) of the Companies Act, 2013 in Form AOC 2. The details of the material RPT, entered into during the year by the Company, as per the policy on RPTs approved by the Board, is given in Annexure D to this Report.

Your Directors draw your attention to Note No. 24 of the Standalone financial statements, which sets out related party disclosures.

#### 35. Disclosures

- Number of Meetings of the Board of Directors**  
During the year, four Board meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Regulations 17 of the Securities and Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulation, 2015.
- Audit Committee**  
The Audit Committee comprises one Executive Director and three Non-Executive Independent Directors. Mr. Seturaman Mahalingam is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange

Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. There were no recommendations of the Audit Committee that have not been accepted by the Board.

- Copy of Annual Return**  
Pursuant to Section 92(3) read with section 134(3)(a) of the Companies Act, 2013, copies of the Annual Return of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and are accessible at the web-link: <http://www.jsw.in/investors/investor-relations-steel>
- Whistle Blower Policy / Vigil Mechanism**  
The Company has a mechanism in the form of the Whistle Blower Policy / Vigil Mechanism to deal with instances of fraud and mismanagement, if any. Details of the same are given in the Corporate Governance Report.
- Particulars of Loans, Guarantees or Investments Under Sec. 186**  
Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.
- Details of Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the Going Concern Status and Company's Operations in Future**  
There are no significant or material orders passed by the Regulators/ Courts/ Tribunals that could impact the going concern status of the Company and its future operations.  
  
However, Members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the financial statements.
- Particulars Regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**  
Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, is given in the statement annexed (Annexure A) hereto and forms a part of this Report.
- Disclosure under the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013**  
The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace

(Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has also complied with the provisions related to the constitution of an Internal Complaints Committee (ICC) under the said Act to redress complaints received regarding sexual harassment. The Company received no complaints pertaining to sexual harassment during FY 2020-21.

#### (I) Other Disclosures / Reporting

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions pertaining to these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOPs referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

Your Directors further state that no application has been made against the Company during the financial year 2020-21 nor are there any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016), as at the end of the said financial year. Also, there were no instances of one time settlement with any bank or financial institution during the FY 2020-21.

#### 36. Acknowledgment

Your Directors take this opportunity to express their appreciation for the cooperation and assistance received from the Government of India, Republic of Chile, Mauritius, Mozambique, Italy, the US and the UK, the State Governments of Karnataka, Maharashtra, Tamil Nadu, West Bengal, Jharkhand and Odisha and the financial institutions, banks as well as the shareholders and debenture holders during the year under review. The Directors also wish to place on record their appreciation of the devoted and dedicated services rendered by all employees of the Company and support extended by suppliers/vendors and Customers.

**For and on behalf of the Board of Directors**

Place: Mumbai  
Date: May 21, 2021

**Sajjan Jindal**  
Chairman

## ANNEXURE – A TO DIRECTORS' REPORT

### INFORMATION IN ACCORDANCE WITH THE PROVISIONS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013, READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

#### A. Energy Conservation

The Company continued to focus on initiatives that enable improved efficiency in energy use and has deployed several technological interventions to conserve energy.

The Energy departments across facilities renewed efforts by carrying out energy benchmarking with the best-in-class steel players and adopting some of the relevant best practices. Energy conservation was taken up as a key improvement theme during the year and the approach prioritises actions through a three-pronged strategy:

1. **Prevention / minimisation** – i.e., Preventing wastage / minimisation of energy usage by relentless optimisation of process parameters to achieve lower values of fuel / energy consumption.
2. **Improving Recovery** – deploying innovative methods of recovering higher amount of unused fuel heat in various process exhausts / recovery systems.
3. **Higher Re-use / Re-cycling** – studying available potential of recovered energy from various sources and doing a cost-benefit analysis of practices required.

#### Steps Taken for Energy Conservation:

##### Vijayanagar

- i) Achieved above 100 TPH process steam generation through by-product gas fired process boilers.
- ii) Reduced oxygen venting losses through better demand and supply management.
- iii) Supplied nearly 761 KNm<sup>3</sup>/hr by-product gas to power plants
- iv) Reduced solid fuel consumption via waste gas recirculation system at Sinter plant 4.
- v) Up-graded Environmental Management Centre (EMC) control room and servers for better monitoring of gas network signals.
- vi) Achieved gross power generation of ~65 MW through Coke Oven Coke Dry Quenching (CDQ).
- vii) Attained Blast Furnace Top recovery power generation of 17 MW.

- viii) Generated 25-27 TPH of Steam through sinter cooler waste heat recovery boiler.
- ix) Increased LD gas recovery to 112 Nm<sup>3</sup>/Tcs, through process improvements like early intermediate de-slagging and calibration of the calorific value meter.
- x) Achieved interconnect of steam line between iron zone and steel zone, resulting in optimum utilisation of steam.
- xi) Achieved energy saving across CRM-1 and BRM-1 through installation of variable-voltage/variable-frequency (VVVF) drives.

##### Dolvi

- Initiated usage of Coke Oven Gas in place of Natural Gas across several operational areas and achieved substantial energy savings.
- Optimised capacity utilisation and waste heat recovery, thereby enhancing steam generation capacity by 58%.
- Reduced solid fuel heat rate in sinter plant by ~4% through optimisation of process parameters.
- Reduced power rate at Coke Oven 1 by 4.1%.
- Increased power generation from Top-Pressure Recovery Turbine (TRT) by 22.5% in FY 2020-21.

##### Salem

- Auto adjustment of vacuum set point in air cooled condenser. Specific steam consumption reduced with power saving of ~1.6 lakh kWh per month during the winter season.
- Optimised speed in Variable-Frequency Drive (VFD), led to reducing load on Coke Oven plant quenching pump.
- Improved chimney damper control valves sealing and increase in Induced Draft (ID) fan motor capacity helped enhance Waste heat recovery boiler (WHRB) steam generation by 4% with energy saving of ~42,000 Gcal per annum.
- Installed VFD at intake water pump house (IWPH), and optimised power consumption.
- Introduced high efficient molecular sieves in Air Purification System, which reduced the regeneration temperature and led to power saving.

#### The steps taken by the company for utilising alternate sources of energy:

##### Vijayanagar

Company is working progressively for electricity use from hybrid renewable energy sources i.e wind and solar.

##### Salem

Feasibility study on-going for Roof Top Solar Energy project

## Expenditure on Energy Conservation Project

### Vijayanagar

Capital expenditure of ₹3.68 crores was incurred on energy conservation projects, resulting in a reduction of 0.002 Gcal/TCS

### Dolvi

Capital expenditure of ₹2.25 crores was incurred on energy conservation projects, resulting in a reduction of 0.033 Gcal / tcs

### Salem

Capital expenditure of ₹0.72 crores was incurred on energy conservation projects, resulting in a reduction of 0.02 Gcal / tcs

## Research and Development (R&D)

### 1. Specific areas in which R&D activities were carried out by the company

The Company's Research and Development (R&D) activities involve new Process and Product development, process improvements for maximisation of quality, cost and energy optimisation, waste utilisation and conservation of natural resources.

The key focus areas include:

- Optimisation of resource utilisation.
- Quality, productivity and cost optimisation through process efficiency improvements.
- Product development, customisation and new applications.
- Recycling and reuse of process waste and conservation of natural resources.
- New application developments and promotion of slag usage in the country.
- New process technology development for process intensification and productivity.

The Company's R&D is actively involved in Industry-Institute partnership and has initiated five collaborative projects in FY 2020-21 with leading academic and research institutes in India - IISc Bangalore; National Council for Cement and Building Materials, Haryana; Stedrant Technoclinic, Bangalore; BBQI Bangalore, and Dalmia Cement Ltd., Odisha.

The Company is also associated with advanced research programmes with partial funding from Ministry of Steel and Ministry of Human Resource Development and the development work is in progress.

### 2. Benefits derived as a result of R&D efforts

#### A) Vijayanagar

##### Key Projects Completed

- Development of beneficiation circuit for low grade iron ores from JSW mines to utilise in agglomeration and subsequently for iron making.

- Synthesis of hematite from BHQ/low grade iron ores. Introduced a process to extract iron ore concentrate from silica rich banded hematite quartzite iron ore in which hematite occurs in layers along with quartzite (silica).
- Improvement in granulation of sinter mix using chemical additive.
- Conducted a laboratory scale pelletisation study to investigate the effect of high manganese oxide (MnO) iron ore on pellet quality and achieved cost savings.
- Used Machine Learning for prediction of Pellet and Sinter properties. The key benefits of these online property prediction models include reduction of analysis time, saving of consumables along with quality improvement of pellet and sinter.
- Developed online predictive models for hot metal silicon (Si) and carbon monoxide (CO) gas utilisation in blast furnace to improve efficiencies.
- Used DRI sludge briquetting in steelmaking process as a coolant. The addition of DRI sludge in the blend has improved the metallic iron and iron oxide content of the briquettes.
- Increased elongation in Corrosion Resistant Steel (CRS) 600 TMT grade. Optimisation of processes, with cooling bed entry temperature control led to achieving elongation of the product.
- A new Zn-Al-Mg (Zinc-Aluminium-Magnesium) based hot dip coating was developed in-house which offers superior corrosion resistance as compared to conventional galvanised coatings on steel substrates.
- Recycling plastic in Coke Oven and Electric Arc Furnace  
A suitable feeding system has been designed and installed at Coke Oven-3 to feed the shredded waste plastic along with the coal blend. About 35 tonnes of waste plastic has been recycled in coke oven, with subsequent reduction in electrical energy consumption.
- Development of steel slag based paver blocks for civil applications  
EAF slag is processed and converted into suitable form for its usage in paver and concrete brick manufacturing as per the standard specifications. Different shapes of pavers have been cast for usage at the road sides. New design mix has been developed to utilise 100% EAF slag component in manufacturing of paver and concrete bricks.

## New Products Developed

- Development of new generation high strength steels mainly for automotive and electrical applications have been the major focus at JSW Vijayanagar works.
- The developments include incremental improvements in product properties to match the customer requirements and new grades for new applications.
- A total of 37 numbers of new steel grades have been developed. It includes 13 grades for import substitution and 7 grades for advanced high strength steels (AHSS).

### B) Dolvi

#### Key Projects Completed

- Study on granulation of coal fines and its impact on sinter properties was initiated to understand technical feasibility of external granulation of coal and possibility of improvement of sinter properties.
- Study on the effect of using of calcined lime for making basic pellets as a flux and binder in fluxed pellet. Laboratory scale results indicate a potential of improving pellet quality and reduction in gangue content.
- Computational fluid dynamics (CFD) modelling for simulating coal and NG/COG co-injection in BF. This model helps in optimisation of pulverised coal injection and co-injection of auxiliary gaseous fuels which will be useful in reducing coke consumption and reducing environmental pollution.
- Optimisation of calcium treatment for different steel grades to avoid solid inclusion in the final steel product. A detailed study was done to evaluate and optimise the calcium addition based on the amount of targeted inclusions.
- Mathematical modelling of heat transfer in Compact Strip Production (CSP) Caster was developed to calculate the heat transfer across the slab. The model is used to investigate how the CSP caster parameters in combination affects the slab temperature field, and may increase the productivity of CSP casters with acceptable quality of cast product.
- Development of Machine Learning model to forecast casting defects from the running casting process parameters and to trace the parameters that lead to the occurrence of the defect.
- Estimation of energy consumption of CONARC® by optimising the available plant resources using the multivariable regression method.

- Heat transfer and phase transformation modelling has been developed to obtain the coiling temperature of strip cooled at the run out table (ROT) of the hot strip mill (HSM).
- Studying Impact of alloy chemistry and processing parameter on edge burr defects in low carbon steels for cold rolling/forming application.

#### Other important developments carried out at R&D

- Automated Inclusion Analysis Software for inclusion characterisation & classification studies.
- Installation of high intensity mixer in pellet lab
- Installation of high speed camera & monitoring system for study of pellet nucleation & growth.
- Upgradation of metallography lab with new equipment for sample preparation.

#### New Products Developed

- Total 5 new products developed and 65 products customised to cater the customers' requirements.
- New products included two HRC grade and three TMT grade

### C) Salem

#### Key Projects Completed

- Development of tungsten alloy steel for doffer wire application.
- Development of fine grained Cold Heading Quality (CHQ) steels with improved upsetability.
- Process development for making free cutting steel
- Development of process for tire cord steel production
- Prediction of austenite grain size during rolling for wire rod coils and bar products.

#### New Products Developed

- A total of 14 new grades have been developed for various applications like automotive, rail, textile, general engineering etc.

### 3. Expenditure on R&D (2020-21)

Item	(₹in Crs)
Capital	10
Revenue	28
Total	38
Total as % PAT	0.45%

## A. Technology Absorption, Adoption And Innovation

### A) Vijayanagar

- Commissioned Down Hill Conveyor 1 (Devdhari to Bhujangnagar)
- Commissioned Wire Rod Mill-2, Pellet Plant-3, Continuous Galvanising Line -2 and Zero Power Furnace (ZPF)
- Achieved upgradation of PLTCM to 1.8 MTPA
- Commissioned Thin Film X-ray Fluorescence (XRF), Fatigue Testing Equipment and induced dry belt magnetic separator

### B) Dolvi:

- Successful commissioning of Hot Metal Granulation Plant (5000 TPD), Coke Oven Battery-D (0.75 MTPA), Chilled Water Plant (4000 TR) and Soft DM water for SMS-2

### C) Salem:

- Commissioning of slag detection system and online bloom size measurement system in CCM-2
- Slag raking system commissioned in EOF2
- Commissioned cold abrasive saw facility for blooming mill products and agitated thin film dryer for pickling plant effluent treatment

## Intellectual Property

### 4.1 Patents

#### Vijayanagar

##### Patents filed - 16 Nos.

1. A process of sintering iron ore including soft and porous iron ore.
2. Glass ceramic including a CMAS system based glass ceramic composition involving solid waste generated in steel plant and method of preparing thereof.
3. A system for cleaning material deposits in a confined space.
4. A spray head assembly for sample quenching in thermo-mechanical testing system.
5. An iron ore sintering composition and a method of manufacturing iron ore sinter with improved strength using fines.
6. A method of manufacturing iron ore sinter using high loss-on-ignition (LOI) iron ore.
7. Iron oxide waste sludge agglomerates and method of using the same in steel making process.
8. High silicon and low carbon hot rolled steel with excellent formability and mechanical properties and a process of manufacturing thereof.

9. A denitrating flux composition and a method to remove nitrogen from molten steel to form denitrogenated molten steel.
10. Zinc-aluminum-magnesium based hot-dip coating composition and coated steel having excellent corrosion resistance, adherence and weldability obtained thereof.
11. A process to extract iron ore concentrate along with sodium silicate from banded hematite quartzite (BHQ) ore without tailings.
12. A system for mineral separation and a process thereof combining froth flotation and gravity separation.
13. A method of manufacture of cementitious material from steel slag.
14. A method of manufacture of belite based cementitious material from steel slag.
15. A pneumatic conveying equipment to inject low-density shredded waste into furnace.
16. Cold rolled high strength steel sheet with improved bendability and method of manufacturing the same.

##### Patents Granted - 11 Nos.

1. An injection lance for desulphurisation of hot metal by injecting reagents along with carrier gas and a process thereof.
2. A monolithic castable using process waste for low temperature applications.
3. Hot rolled low carbon steel sheets for direct drawing application.
4. A method of controlled ramping of tundish weight for reduced emulsification and a system thereof.
5. A method for producing iron ore pellet with improved quality and increased production and a system thereof.
6. An oven identification system for coke ovens for alignment and positioning of guide and pusher car.
7. A tundish adapted for reduction in residual metal losses and a method thereof.
8. A metallurgical material handling vessel / slag vessel adapted to be resistant to localised heat zone based thermal stresses and equipment failure.
9. Sinter with improved strength and a process for its production favouring reduced sinter return fines.
10. A process for treating high manganese hot metal in LD converter.
11. A process for producing iron ore pellets involving iron oxide and carbon sourced from Corex sludge.

### Dolvi

#### Patents Filed - 3 Nos.

1. Low cost hot rolled high strength low alloy (HSLA) steel with improved hole expansion ratio and method of producing the same.
2. A process for sinter production including wettability of sinter feed mix for improved granulation fitness and sinter productivity.
3. High strength corrosion resistant Thermo-mechanically-treated (TMT) rebars having yield strength of 600 MPa (min) and a process for its production.

#### Patents Granted - 3 Nos.

1. A system for controlled introduction of lance from top for controlled oxygen blowing in furnaces such as electric arc furnace including CONARC® furnace.
2. A system and method of steel making involving advancements in art of oxygen blowing in CONARC® furnace
3. A system for heating coke oven battery and a method of such heating.

### Salem

#### Patents Granted - 1 No.

A process adapted for improving coke yield in non-recovery coke manufacture

### 4.2 Publication of Technical Papers Vijayanagar

Total number of 12 technical papers have been published

#### Dolvi

Total number of 3 technical papers have been published

#### Salem

Total number of 2 technical Papers published

The benefits derived like process improvements, cost reduction, product development or import substitution:

The R&D developments in process improvement, product development, energy optimisation and cost reduction have helped in substantial savings in operational costs.

#### Saving (₹ in crores) - FY: 2020-21

Vijayanagar	Dolvi	Salem
68	11	4

**Information regarding imported technology (imported during the last three years reckoned from the beginning of the financial year)**

Innovation / Technology	Year of Import	Status
<b>Vijayanagar</b>		
Commissioning of Raw water pond of 1.1 TMC	2018-19	Commissioned
Commissioning of tailing beneficiation plant at OBP2	2018-19	Commissioned
Commissioning of world's largest pipe conveyor system of 24 km	2018-19	Commissioned.
Commissioning of Maximum Emission Reduction of Sintering (MEROS) and Waste Gas Recirculation (WGR) system at Sinter Plant-4.	2019-20	Commissioned
Upgradation of Continuous Pickling Line No.2 at CRM-1	2019-20	Commissioned
Commissioning of Hot forming Press at R&D Dept.	2019-20	Commissioned
Commissioning of Drop weight Tester at R&D Dept.	2019-20	Commissioned
Commissioning of Horizontal Tube Furnace at R&D Dept.	2019-20	Commissioned
Installation of Simulia 3D Experience platform at R&D Dept.	2019-20	Commissioned
Down Hill Conveyor 1 (Devdhari to Bhujangnagar)	2020-21	Commissioned
Wire Rod Mill #2	2020-21	Commissioned
Continuous Galvanising Line #2	2020-21	Commissioned
PLTCM Upgradation to 1.8 MTPA	2020-21	Commissioned
Pellet Plant #3	2020-21	Commissioned
Zero Power Furnace (ZPF)	2020-21	Commissioned
Thin Film XRF	2020-21	Commissioned
Fatigue Testing Equipment	2020-21	Commissioned
Induced dry belt magnetic separator	2020-21	Commissioned
<b>Dolvi</b>		
LCP Fuel Conversion	2018-19	Commissioned
2200 TPD Oxygen Plant	2018-19	Commissioned
Coke Oven Battery A&B	2018-19	Commissioned
Revamping of Stove-4 in Blast Furnace-1	2019-20	Commissioned
Commissioning of new cyclone at Blast Furnace-1	2019-20	Commissioned
Hot Metal Granulation Plant (5000 TPD)	2020-21	Commissioned
Coke Oven Battery-D (0.75 MTPA)	2020-21	Commissioned
Chilled Water Plant (4000 TR)	2020-21	Commissioned
Soft DM water for SMS#2 & CPP#2&3 (140 m <sup>3</sup> /hr)	2020-21	Commissioned
<b>Salem</b>		
Commissioning of Bar Annealing Furnace	2018-19	Commissioned
Commissioning of Paver Block Machine	2018-19	Commissioned
25 kg melting capacity Induction Furnace	2019-20	Commissioned
Online size measurement device for bar products and Garret Coiler wire rod products	2019-20	Commissioned
Commissioning of slag detection system in CCM 2	2020-21	Commissioned
Slag raking system commissioned in EOF2	2020-21	Commissioned
Cold abrasive saw facility for blooming mill products	2020-21	Commissioned
Online bloom size measurement system in CCM 2	2020-21	Commissioned
Agitated thin film dryer for pickling plant effluent treatment	2020-21	Commissioned

**B. Foreign Exchange Earnings and Outgo:**

Total Foreign exchange used and earned during the year:

	₹ in crores	
	FY 2020 - 21	FY 2019 - 20
Foreign Exchange earned	14,327	9,677
Foreign Exchange used	17,015	22,680

**Annexure - B to Directors' Report**

**Form No. MR- 3  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED March 31, 2021**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
JSW STEEL LIMITED  
JSW Centre, Bandra-Kurla Complex,  
Bandra (East), Mumbai,  
Maharashtra- 400 051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JSW STEEL LIMITED bearing CIN: L27102MH1994PLC152925 (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

The continuing uncertainties and restrictions on opening of offices and in the movement of people across the country arising out of COVID-19 has resulted in limiting our access to physical records of the Company. We have, therefore, examined, in the best possible manner through the virtual platform the books, papers, minutes books, forms and returns filed and other records maintained by the company for the financial year ended March 31, 2021 according to the provisions of:

- The Companies Act, 2013, (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956, ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996, and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as may be appropriately applicable for the period under review:
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

The provisions of the said regulations are not applicable to the Company during the year under review.

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014;

The provisions of the said regulations are not applicable to the Company during the year under review.

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

The provisions of the said regulations are not applicable to the Company during the year under review.

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

The provisions of the said regulations are not applicable to the Company during the year under review.

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and

j. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Redeemable Preference Shares) Regulation, 2013.

The provisions of the said regulations are not applicable to the Company during the year under review.

vi. All other relevant applicable laws including those specifically applicable to the Company, a list of which has been provided by the management. The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes are in place to monitor and ensure compliance with those laws.

We have also examined compliance with the applicable clauses of the following Secretarial Standards:

The Secretarial Standards issued and notified by the Institute of Company Secretaries of India SS- 1 & SS- 2 have been complied with by the Company during the financial year under review.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notices were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Decisions at the meetings of the Board of Directors were carried through on the basis of majority and there were no dissenting views by any Member of the Board during the year under review.

#### We further report that:

Based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary/ Chief Financial Officer/ Whole-time Director taken on record by the Board of Directors of the Company, in our opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that, during the audit period, except the events listed below no other events occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards and that the Company has complied with such of those relevant clauses thereto which are applicable:

- The Company redeemed 8.65% Secured NCDs of ₹10,00,000 each aggregating to ₹120 crores on 12th May, 2020.
- The Company allotted 40,000 rated, listed, secured, redeemable, non-convertible debentures bearing a face value of INR 10,00,000 (Rupees Ten Lakhs only) each, aggregating to INR 4000,00,00,000 (Rupees Four Thousand crore Only) on private placement basis.

- The Company allotted 10,000 Nos 8.50% rated, listed, unsecured, redeemable, non-convertible debentures bearing a face value of INR 10,00,000 (Rupees Ten Lakhs only) each, aggregating to INR 1000,00,00,000 (Rupees One Thousand crore Only) on private placement basis.
- The Company has completed the acquisition by acquiring the balance 26.45% of the issued and paid up share capital of JSW Vallabh Tinplate Private Limited. Accordingly, JSW Vallabh Tinplate Private Limited has become a wholly owned subsidiary company of JSW Steel limited with the Company's direct and indirect (through its wholly owned subsidiary Vardhman Industries Limited) shareholding in JSW Vallabh Tinplate Private Limited being 100%.
- Based on the order of the Hon'ble Supreme Court of India dated 6th March 2020 in Kalyani Transco v. M/s. Bhushan Power and Steel Ltd. in CA 1808 of 2020, subsequent mutual understanding between the erstwhile Committee of Creditors and the Company pending the adjudication of appeals before the Hon'ble Supreme Court and considering the judgement dated January 19, 2021 passed by the Hon'ble Supreme Court in Manish Kumar v. Union of India (W.P. (C) no. 26 of 2020) which has inter alia held that section 32A of the Insolvency and Bankruptcy Code, 2016 is valid and constitutional, the Company has implemented the Resolution Plan submitted by it for Bhushan Power & Steel Limited ("BPSL") under the Insolvency and Bankruptcy Code, 2016, as approved by the Committee of Creditors of BPSL and the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi ("NCLT") by its order dated 5th September 2019 and the Hon'ble National Company Law Appellate Tribunal ("NCLAT") by its order dated February 17, 2020 ("Resolution Plan").

Pursuant to the subscription and shareholders agreement between the Company, JSW Shipping & Logistics Private Limited ("JSLPL") and Piombino Steel Limited ("PSL"), JSLPL converted the optionally convertible debentures held by JSLPL in PSL into equity shares of PSL on 27.03.2021. Pursuant to the conversion, JSLPL holds 51% equity in PSL and the Company holds 49% equity in PSL. JSLPL and the Company will jointly control and manage Bhushan Power & Steel Limited through PSL. The Company continues to hold the optionally convertible instruments (convertible to equity shares at par) issued to the Company by PSL.

- The Company has completed the acquisition of Asian Colour Coated Ispat Limited (ACCIL) through its wholly owned subsidiary JSW Steel Coated Products Limited (JSWSCPL) on 26th October, 2020.

For S. Srinivasan & Co.,  
Company Secretaries

Sd/-  
S. Srinivasan  
Practicing Company Secretary  
FCS: 2286 | CP. No.: 748  
UDIN: F002286C000319735

Place: Chennai  
Date: May 15, 2021

#### Annexure A

To,  
The Members,  
JSW STEEL LIMITED  
JSW Centre, Bandra-Kurla Complex,  
Bandra (East), Mumbai,  
Maharashtra- 400 051

#### Our Secretarial Audit report of even date is to be read along with this letter.

- Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is limited to virtual examination based on inputs provided by the management in soft copies. Any material deviation or non-compliance which may have occurred during the year under review and which may come to light later on, on the examination of the physical records can be addressed, if appropriate and found necessary, in the next Secretarial Audit Report, which report may be construed as an addendum to this report to that extent.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S. Srinivasan & Co.,  
Company Secretaries

Sd/-  
S. Srinivasan  
Practicing Company Secretary  
FCS: 2286 | CP. No.: 748  
UDIN: F002286C000319735

Place: Chennai  
Date: May 15, 2021



## Annexure – B1 to Directors' Report

The Members/Board of Directors  
JSW Steel Coated Products Limited  
JSW Centre, Bandra-Kurla Complex,  
Bandra (E), Mumbai 400 051

### Secretarial Audit Report

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

#### FOR THE FINANCIAL YEAR 2020-21

##### Foreword

Due to the COVID-19 pandemic and the consequent lockdown in the country, I have conducted the audit by relying upon documents & minutes provided to me through email. I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JSW Steel Coated Products Limited, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the digital documents provided of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by JSW Steel Coated Products Limited for the financial year ended on 31st March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') & the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the applicable rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (no foreign exchange transactions during the audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

(SEBI regulations are not applicable since the company is not a listed company.)

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) Other applicable laws:  
Factories Act, 1948  
The Payment of Gratuity Act, 1972  
I have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable (Not applicable);

During the period under review, based on my examination and verification of the books, papers, minute books, forms and returns filed and other records produced to me and according to information and explanations given to me by the Company, I report that the Company has in my opinion, complied with the provisions of the Companies Act, 2013 (Act) and the Rules made thereunder, the Memorandum and Articles of Association of the Company and also applicable provisions of the aforesaid laws, standards, guidelines, agreements, etc., subject to the following observations:

NIL.

### I report that, during the year under review:

1. The status of the Company during the financial year has been that of a Unlisted Public Company.
2. The Company is a subsidiary of another listed company.
3. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice generally is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

### I further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

### I further report that:

During the audit period the Company has effected the following activities/ events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:-

- (i) Completed the acquisition of Asian Colour Coated Ispat Limited on October 27, 2020
- (ii) Re-appointment of Mr Amarjit Singh Dahiya as a WTD for a period of 2 years w.e.f. 01.06.2020
- (iii) Consequent to the resignation of Mr. Amit Agarwal as the Chief Executive Officer of the company, Mr. Sharad Mahendra was appointed as the CEO w.e.f. July 1, 2020.

- (iv) Mr. Hemant Shete superannuated as the CFO on July 31, 2020. Mr. Manish Mathur was appointed as CFO w.e.f. January 14, 2021.
- (v) Dissolution of the Risk Management Committee.
- (vi) Invested a sum upto ₹300 crores as ICD with JM Financial ARC
- (vii) Has put in place a consolidated Commodities Risk Management Policy of the Company
- (viii) Increase the Borrowing Limits of the Company to ₹5000 crores in excess of the aggregate of the Paid up Capital, free reserves and securities premium
- (ix) Availed Rupee Term Loan of ₹200 crores from Axis Bank
- (x) The members approved the granting of Loan to other body corporate or to invest in securities of other body corporate in excess of the limits specified under section 186 of the Companies Act, 2013
- (xi) Modified the applicability of certain clauses of the JWSCPL Employees Samruddhi Plan 2019 - for employees who are being separated on account of non-performance
- (xii) Authorised the issuance of Compulsorily Convertible Debentures upto ₹891 crores on private placement basis to JSW Steel Ltd. Allotted CCDs of ₹650 crores to JSW Steel Ltd.
- (xiii) Approved the increase in project cost for Pickling Linked Tandem Cold Mill (PLTCM) project at Vasind by ₹141 crore

Sd/-

**Vanita Sawant & Associates**  
Practising Company Secretary  
FCS 6210. CP No. 10072  
UDIN: F006210C000201451

Place: Mumbai  
Date: April 23, 2021

Note: This report is to be read with our letter of even date, which is annexed as Annexure A and forms an integral part of this report.

## Annexure A

To  
The Members  
JSW Steel Coated Products Limited  
JSW Centre,  
Bandra-Kurla Complex,  
Bandra (E),  
Mumbai 400 051

My report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
- Due to the COVID-19 pandemic and the consequent lockdown, I have relied upon documents, forms and minutes provided to me through email. I have followed the audit practices and processes as were appropriate under the circumstances to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to check whether correct facts are reflected in secretarial records. I believe that the processes and practices that were followed provide a reasonable basis for my opinion.

- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- Where ever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happenings of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai  
Date: April 23, 2021

Sd/-  
**Vanita Sawant & Associates**  
Practising Company Secretary  
FCS 6210. CP No. 10072  
UDIN: F006210C000201451

## Annexure - C to Directors' Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Pursuant to Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014]

#### 1. Brief outline on CSR Policy of the Company:-

The Company's CSR Policy is available on the Company's website at [www.jsw.in](http://www.jsw.in)

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
01.	Mrs. Nirupama Rao	Independent Director	2	2
02.	Mr. Seshagiri Rao MVS	Jt. Managing Director & Group CFO	2	2
03.	Dr. Vinod Nowal	Dy. Managing Director	2	2
04.	Mr. Jayant Acharya	Director (Commercial & Marketing)	2	2
05.	Dr. Punita Kumar Sinha	Independent Director	2	2
06.	Mr. M.S.Srikar	Nominee Director of KSIIDC	2	1

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:-

The Company's CSR Committee; CSR Policy and CSR Projects are disclosed on: [www.jsw.in](http://www.jsw.in)

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Impact assessments for completed CSR projects are undertaken by the Company in the normal course. Programs taken up during FY 20-21 are still under implementation since the Company has already been following a long term program approach. Details of impact assessments carried out during FY 2019-20 through independent third party agency are available on the website of the Company.

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
01.	2020 - 21	NA	NA
02.	2019 - 20	NA	NA
03.	2018 - 19	NA	NA

#### 6. Average net profit of the company as per section 135(5): ₹8,240.47 crores

- (a) Two percent of average net profit of the company as per section 135(5): ₹164.81 crores
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year (7a+7b- 7c): ₹164.81 crores
- (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹ in crores)	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount Unspent (in ₹)		
	Amount (₹ in crores).	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
78.32	86.49	29/04/21	NA-	Nil	Nil

b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5	6	7	8	9	10	11	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VIII to this Act	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project (₹ in crores).	Amount spent in the current financial year (₹ in crores).	Amount transferred to Unspent CSR Account for the project as per Section 135 (₹ in crores).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
	State.		State.	District.					Name	CSR Registration number.	
1	COVID-19 Support & rehabilitation program	(i)	Yes	Jharkhand, Karnataka, Maharashtra, Tamil Nadu, Odisha	Hazaribagh, Bellary, Raigad, Palghar, Thane, Nagpur, Keonjhar, Salem	2 Yrs	57.81	17.90	39.91	No	JSW Foundation CSR000003978
2	General community infrastructure support & welfare initiatives	(i), (xii)	Yes	Jharkhand, Karnataka, Maharashtra, Tamil Nadu, Odisha	Bellary, Raigad, Palghar, Thane, Mumbai, Nagpur, Keonjhar, Salem	4 Yrs	26.91	13.41	13.50	No	JSW Foundation CSR000003978
3	Public health infrastructure, capacity building & support programs	(i)	Yes	Karnataka, Maharashtra, Tamil Nadu, Odisha	Bellary, Raigad, Palghar, Thane, Mumbai, Nagpur, Keonjhar, Salem	4 Yrs	19.86	14.70	5.16	No	JSW Foundation CSR000003978
4	Educational infrastructure & systems strengthening	(ii)	Yes	Karnataka, Maharashtra, Tamil Nadu, Odisha	Bellary, Raigad, Palghar, Thane, Mumbai, Nagpur, Keonjhar, Salem	4 Yrs	14.81	7.61	7.20	No	JSW Foundation CSR000003978
5	Nurturing aquatic & terrestrial ecosystems for better environment & reduced emissions	(iv)	Yes	Karnataka, Maharashtra, Tamil Nadu, Odisha	Bellary, Raigad, Palghar, Thane, Nagpur, Keonjhar, Salem	4 Yrs	11.07	3.46	7.61	No	JSW Foundation CSR000003978
6	Integrated water resources management	(i), (iv)	Yes	Karnataka, Maharashtra, Tamil Nadu, Odisha	Bellary, Raigad, Palghar, Thane, Nagpur, Keonjhar, Salem	4 Yrs	10.68	4.00	6.68	No	JSW Foundation CSR000003978
7	Sports promotion & institution building	(vii)	Yes	Karnataka, Maharashtra, Odisha	Bellary, Raigad, Palghar, Keonjhar	4 Yrs	7.04	5.49	1.55	No	JSW Foundation CSR000003978
8	Enhance Skills & rural livelihoods through nurturing of supportive ecosystems & innovations	(ii)	Yes	Karnataka, Maharashtra, Tamil Nadu, Odisha	Bellary, Raigad, Palghar, Thane, Nagpur, Keonjhar, Salem	4 Yrs	5.61	3.81	1.80	No	JSW Foundation CSR000003978
9	Waste management & sanitation initiatives	(i)	Yes	Karnataka, Maharashtra, Tamil Nadu, Odisha	Bellary, Raigad, Palghar, Thane, Nagpur, Keonjhar, Salem	4 Yrs	5.26	2.71	2.55	No	JSW Foundation CSR000003978
10	Nurture women entrepreneurship & employability	(iii)	Yes	Karnataka, Maharashtra, Tamil Nadu, Odisha	Bellary, Raigad, Palghar, Thane, Nagpur, Keonjhar, Salem	4 Yrs	1.54	1.08	0.46	No	JSW Foundation CSR000003978
11	Promotion & preservation of art, culture & heritage	(v)	Yes	Karnataka	Vijaynagar	4 Yrs	0.23	0.23	0.00	No	JSW Foundation CSR000003978
12	Program Management Expense	-	Yes	-	-	3.99	3.92	0.07	0.07	No	JSW Foundation CSR000003978
	<b>Total</b>					<b>164.81</b>	<b>78.32</b>	<b>86.49</b>			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project. State. District.	Amount spent for the project (in ₹).	Mode of implementation Direct (Yes/No).	Mode of implementation - Through implementing agency. Name. CSR registration number.
1.							
2.					NIL		
3.							
	<b>TOTAL</b>						

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: ₹0.18 crores

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹78.32 crores

(g) Excess amount for set off, if any: NOT APPLICABLE

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing.
								NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NOT APPLICABLE

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Company had defined programs planned for execution but due to COVID pandemic and the uncertainties attached with the pandemic, field operations have been hampered significantly; work could be carried only for a few months during the year. As such, most of our major programs in Education, Water, Skilling could not pick up full steam, the infrastructure projects have also been hampered for the same reasons and thus most activities remain ongoing in nature

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

For JSW STEEL LIMITED

Sd/-  
SAJJAN JINDAL  
CHAIRMAN & MANAGING DIRECTOR

Sd/-  
NIRUPAMA RAO  
CHAIRMAN  
CSR COMMITTEE

## Annexure - D to Directors' Report

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

(a) Name(s) of the related party and nature of relationship	
(b) Nature of contracts / arrangements/ transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	NIL (All contracts or arrangements or transactions with related parties are at arm's length basis)
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship	JSW Steel Coated Products Limited (JSW Coated)	JSW International Tradecorp Pte. Limited (JITPL)
(b) Nature of contracts / arrangements/ transactions	Sale/purchase of steel products to/from JSW Coated, recovery/ reimbursement of expenses, interest income/expenses, investment, adjustment of receivable/ payable, inter-corporate loans	Procurement of iron ore, coking coal, coke and other raw materials from JITPL
(c) Duration of the contracts/ arrangements/ transactions	Apr'20 to Mar'21	Apr'20 to Mar'21
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Value of transactions with JSW Coated amounted to ₹13,434 crores during FY 2020-21	Value of transactions with JITPL amounted to ₹10,870 crores during FY 2020-21
(e) Date(s) of approval by the Board, if any	The transactions with JSW Coated does not require approval of the Board of Directors, since JSW Coated is wholly owned subsidiary. However, these transactions have been approved by the Audit Committee.	The Board of Directors approved transactions with JITPL on May 24, 2019 and shareholders also approved these transactions in the Annual General Meeting held on July 25, 2019.
(f) Amount paid as advances, if any	As per the terms and conditions of the contract	Nil

#### Annexure - E to Directors' Report

Information as per Section 197 of the Companies Act, 2013 read with the rule 5 of the Companies (Appointment & Remuneration of managerial personnel) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31<sup>st</sup> March, 2021.

Sr. No.	Name	Age In Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Total Experience (No. of Years)	Previous Employment (Designation)
(A)	Employed throughout the year and were in receipt of remuneration of not less than ₹1,02,00,000 per annum							
1	Sejjan Jindal	61	BE (Mechanical)	04-Jul-1992	Chairman and Managing Director	733,741,276	39	Jindal Strips Ltd. (Jt. Managing Director)
2	Sandeep Gokhale	58	BE (Electrical), MBA (Finance)	25-Aug-2008	President - Business Development	61,500,831	35	Mumbai International Airport Pvt Ltd (Director - Commercial)
3	Seshagiri Rao M V S	63	B.Com, CAIB, AICWA, LCS, DBF	01-Sep-1997	Jt. Managing Director and Group CFO	50,780,966	42	Nicholas Piramal (India) Ltd. (Sr. Vice-President)
4	Ashok Kumar Aggarwal	62	B. Sc ( Engineering )	02-Jun-1998	President - Business Development	48,174,451	34	Essar Steel Ltd. (Jt. General Manager)
5	Gajraj Singh Rathore	56	BE ( Metallurgy )	03-Jan-1996	President Dolvi	44,910,146	34	Steel Processing Center Ltd. (Executive Vice-President)
6	Dr. Vinod K Nowal	65	MBA, Ph.D (Inventory Management)	14-Feb-1984	Deputy Managing Director	42,195,573	42	K. M. Sugar Mills Ltd. (Factory Manager)
7	Murugan P K	54	B.Sc. (PCM), B.Tech (Production Engg)	17-Jan-1998	President designate - Vijayanagar	42,076,003	29	Essar Steel Ltd. (Dy. Manager)
8	Jayant Acharya	58	BE (Chemical), MBA (Marketing), MSC (Physics)	01-Jul-1999	Director - Commercial & Marketing	36,138,995	38	Essar Steel Ltd. (Jt. General Manager)
9	Madhav M R Wairier	62	BE (Mech), ICWA	30-Sep-1998	Senior Vice-President - Finance & Accounts, Excise & Insurance	32,855,350	39	Ispat Industries Ltd (General Manager - Costing)
(B)	Employed for the part of the year and were in receipt of remuneration aggregating to not less than ₹8,50,000 per month							
1	Pawan Kedia	61	B.Com., ICWA	06-Jan-2012	Group President - Commercial Strategy	40,313,355	36	Consultant

Notes:

- Remuneration shown above includes Salary, Performance Reward / Special Allowance, House Rent Allowance / Perquisite for Accommodation, Leave Travel Allowance, Medical Reimbursement, Perquisite for Car, Bonus, Variable Pay, Commission, monetary value of perquisites as per income tax rules and Company's Contribution to Provident Fund. But does not include Actuarial Valuation of Leave Encashment, Company's Contribution to Gratuity Fund.
- None of the employees is covered under Rule 5(3)(viii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of Section 197 of the Companies Act, 2013.
- The nature of employment in all cases is contractual except in case of Mr. Sajjan Jindal.
- Mr. Sajjan Jindal is relative of Mrs. Savitri Devi Jindal, Chairperson emeritus of the Company.

### Annexure – E to Directors' Report

Information as per Section 197 of the Companies Act, 2013 read with the rule 5 of the Companies (Appointment & Remuneration of managerial personnel) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31<sup>st</sup> March, 2021.

Sr. No.	Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Total Experience (No. of Years)	Previous Employment (Designation)
B(i)	Employed throughout the year and were in receipt of remuneration of not less than ₹ 1.02 crore per annum ( Other Than Top 10 )							
1	Ajanta Chatterjee	53	B.A., Post Graduate in Sociology	20-Oct-2015	Vice-President - Human Resources	11,793,078	21	Vodafone India Ltd. ( Associate Vice-President - HR )
2	Ajay Gupta	51	Bachelor of Science-1990	03-Apr-2014	Pilot	12,692,388	29	Indian Navy
3	Ajit Karande	60	B.E.(Met. Engg.)	15-Jul-1997	Associate Vice-President	12,884,502	37	Lloyds Steel Ltd - Deputy Manager
4	Anil Kumar Sharma	61	Bachelor of Science(Electrical engineering)	27-Jun-2008	Vice-President	15,342,223	32	Mather & Platt (I) Ltd. New Delhi
5	Anil Kumar Singh	55	B. Sc ( Engineering )	01-Dec-1994	Head - Project Monitoring & Mining Ops	23,373,315	32	B S B K Ltd (General Manager)
6	Ashish Chandra	50	BE ( Mechanical )	23-Jun-1997	Senior Vice-President	11,465,042	24	Rajinder Steels Ltd (Sr. Engineer)
7	Ashok Kumar Parasmamka	50	B.Com, C.A.	21-Mar-2007	Sr. Vice-President - Corporate Strategy & Development	11,798,953	25	Singhi & Co (Chartered Accountants) - Partner
8	Atulya Kumar Verma	57	BE - Metallurgy	01-Dec-2014	Senior Vice-President - Project	23,507,673	29	Electronics Steel Ltd. (COO)
9	Avtar Singh	53	Bachelor of Engineer(Met. Engg.)-1990	30-Sep-2004	Associate Vice-President	13,153,175	26	Kudremukh Iron Ore & Steel Co Ltd., Mangalore
10	Bhushan Dewangan	51	B.E.	02-Aug-2010	Vice-President	12,566,083	25	Salay Steel
11	Bikash Chowdhury	44	B.Com, Post Graduate Diploma in Business Administration	01-Jul-2015	Vice-President	14,930,087	29	DBS Bank Ltd., Vice-President, FX, Trading-Treasury & Markets
12	Chandrasekhar Velegapudi	55	Bachelor of Science(-)-1985, Master of Science-1988, Post Graduate Diploma in Business Admini-2013	20-Nov-2017	Associate Vice-President - Projects (IT)	12,498,788	31	Apollo Tyres Ltd
13	Deb Kumar Das	59	ICWA	15-Jul-1998	Vice-President	12,806,336	34	Larsen & Toubro
14	Dheeraj Sinha	50	BE ( Electronics & Communication ), MBA ( Finance )	05-Jul-2016	Chief Information Officer - Information Technology	23,413,179	26	Apollo Tyres Ltd. (Group Head - CMS,IT & SCM)
15	Dilip Pattanayak	49	BSC, MBA (Human Resources)	17-Jan-2020	President and CHRO - Steel & Corporate	21,702,158	24	Reliance Industries Limited (Sr. Executive Vice-President & Head - HR Manufacturing)
16	Gautam Chainani	58	B. Sc. MMS	01-Nov-2016	President HR - Special Projects	20,921,848	35	Ultratech Cement Limited ( Chief Human Resource Officer & Corp. Communication )
17	Hareesh Dua	52	CA, B.COM, CIA, CISA, CISSP	22-May-2008	Senior Vice-President - Internal Audit	20,384,501	27	Pantaloon Retail India Ltd (Chief Internal Auditor)
18	Hemang Oza	51	BE (Metallurgy)	01-Mar-2008	Senior Vice-President - Sales & Marketing	19,341,106	24	Essar Steel Ltd. (Jt. General Manager - Marketing)
19	Hemendra Sharma	54	B.Sc., MBA(fin), MPHil (Eco), MA (Eco), CFA., CWA	20-Jan-2020	Vice-President	12,463,665	31	Hindustan Zinc Ltd AVP Finance
20	Jayaraman Rajan	56	B.Com., MBA	01-Oct-1990	Senior Vice-President - Corporate Planning & Imports	15,211,390	29	Indian Market Research Bureau (Field Surveyor)
21	John Kattikaren	55	BE (Civil)	02-Jun-2008	Vice-President - Civil	26,011,088	32	Lupin Group Ltd. (Sr. General Manager)

Sr. No.	Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Total Experience (No. of Years)	Previous Employment (Designation)
22	Kaustubh Kulkarni	47	B. Com., MMS., CFA.	06-Nov-2017	Group Head- M&A & Strategic Financing	24,508,304	23	Standard Chartered Bank (Managing Director)
23	Kinshuk Roy	55	B. E (Metallurgy)	11-Feb-2008	Senior Vice-President	15,046,090	32	TATA Steel Ltd. - Head Project Application Group
24	Lokendra Raj Singh	57	B.Tech (Metallurgy)	12-Feb-2008	Senior Vice-President-Iron, Energy & Env	12,826,536	32	Kremikovelsi AD global steel holding ltd. Sofia, Bulgaria ( General Manager )
25	Manoj Mohta	50	B.Com., AICWA, CA.	14-Nov-2004	Senior Vice-President	14,132,491	25	Aditya Birla Management Corp. Ltd. (Dy. General Manager - Management Service Division)
26	Mukesh Kumar	50	Bachelor of Engineer-1992	28-Aug-2017	Vice-President - Civil & Infrastructure	10,727,103	24	HZL Limited and Vedanta Aluminium
27	Paramjit Guron	58	BA, CPL	03-Oct-2005	Executive Pilot - Aviation	16,403,968	30	Orient Flying School (Chief Pilot & CF)
28	Paresh Kumar Thakkar	51	B.E.(Civil Eng.), M.sc., M tech.	01-Aug-2019	Senior Vice-President & Group Safety Head	18,192,526	27	GE India Industrial Pvt Ltd., Senior EHS Manager
29	Prabhakaran Chandrasekaran	46	B.Sc., CA, ICWA	24-Nov-2014	Finance Controller	15,112,747	22	Sesa Sterlite Ltd. (Associate Vice-President - Finance)
30	Prabhat Kumar Ghouri	56	BE (Metallurgy)	09-May-1998	Senior Vice-President	10,996,169	30	Essar Steel Ltd. ( Deputy Manager )
31	Prabhat Kumar Patel	59	Bachelor of Commerce, Masters Of Management Studies	15-Nov-1995	Associate Vice-President - Finance and Accounts	11,264,241	35	Up State Cement Corporation Ltd
32	Pradeep Bhargava	61	Bachelor of Science, Chartered Accountant	29-Jul-2009	Vice-President	12,383,706	30	Up State Cement Corp. Ltd
33	Pradipta Chandra Mahapatra	61	Bachelor of Arts, Bachelor of Engineer, Masters of Arts	04-Jun-2007	Vice-President	17,007,135	35	Steel Authority of India
34	Praveen Dixit	55	B. Sc., M. Sc., PGD (Industrial), MMM	30-Dec-1991	Senior Vice-President - Sales & Marketing	11,892,840	32	Roadmaster Steel Strips Limited (Engineer - PPC)
35	R B Singh	59	Bachelor of Science (Chemical)	01-Jan-2007	Vice-President	16,061,040	35	Essar Steel Ltd.
36	Raj Kumar Sharma	60	BE (Mech), Diploma	25-Apr-1996	Senior Vice-President	19,723,895	37	Century Tubes Ltd
37	Rajashakar P	63	BE ( Mechanical )	13-Jul-1998	President - Vijayanagar Steel Works	26,183,734	37	RINL (Manager)
38	Rajeev Pal	59	B. Com, CA, CS (Inter)	01-Dec-2000	Chief Financial Officer	21,420,457	36	Crompton Greaves Ltd. (Manager - Finance)
39	Raju Arockiam	52	M.sc.(Engg), PG Diploma in Business. Admin.	24-Jun-2019	Senior Vice-President	19,435,368	29	JSC Arceol Mittal Temirtau, Deputy Director Procurement
40	Rakesh Sharma	56	B.Sc., M.sc., MBA	31-Jul-1997	Senior Vice-President	10,318,727	32	Jai Corp Limited - Comet Steel Division, Manager
41	Ranganath T	59	B.Com., CA, ICWA	08-Jun-2000	Vice-President - Finance & Accounts	10,493,638	30	Punjab National Bank - Manager (Financial Analyst)
42	Ravi Kumar Sabharwal	56	Bachelor of Law-1992, Company Secretary-1991	14-Dec-2018	Vice-President - Legal	18,392,362	21	Hero Motor corp
43	Ravishankar Jayaraman	51	B.com., CA ,CWA	01-Jul-2019	Vice-President - Finance	18,518,726	26	Essar Ports Ltd., Sr. Vice-President
44	Sadashiv Patil	63	BA, Dip in Human Resources	29-Apr-1995	Senior Vice-President - Corporate Relations	15,964,665	41	Special Steels Ltd. (Deputy Manager - Administration)
45	Saji Samuel	55	Bachelor of Science (Chemistry)	15-Apr-1997	Vice-President	14,267,481	32	Best & Crompton

Sr. No.	Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Total Experience (No. of Years)	Previous Employment (Designation)
46	Sanjay Agrawal	57	B. Tech (Metallurgy)	28-Oct-2010	Senior Vice-President - Sales & Marketing	20,048,569	33	Jindal Steel & Power Ltd. - General Manager (Sales & Marketing)
47	Sanjay Goel	55	B.E.	21-Aug-1989	Vice-President	13,241,687	31	JSW Coated Products Ltd
48	Sanjay Jayram	60	B.A.(Economics),B.E. (Mechanical), Diploma in export Mgt.	03-Apr-2006	Executive Vice-President - Sales & Marketing	18,390,557	34	Essar Steel Ltd. (General Manager)
49	Sanjay Rath	52	BE (Mechanical)	02-Jan-2006	Senior Vice-President	10,679,943	30	Essar Steel Ltd.(Dy.General Manager - Procurement)
50	Sanjay Sharma	55	BE ( Metallurgy )	01-Apr-2005	Senior Vice-President (Mills)	11,164,387	28	Tata Steel Limited ( Sr. Manager - Production )
51	Sanjeev Doshi	52	CA. B.com	30-Sep-2000	Associate Vice-President	11,441,492	27	S V Ghatalia Associates
52	Satya Prakash	54	B. Tech.- Electr., EMBA- Operation	16-Mar-2005	Vice-President - Operations	11,919,673	31	Bokaro Steel Limited ( Sr. Manager )
53	Shankar Pratap Singh	57	B.Sc. Engineering Mechanical	20-May-1995	Senior Vice-President - Projects	13,367,134	29	Comet Steels Ltd., Nanded, Maharashtra
54	Shanker Batra	61	B.com., CS ,CWA	02-May-2019	Executive Vice-President	20,629,612	42	Tata Steel BSL Ltd., Chief Commercial Officer
55	Shashikant Sharma	62	B.com	28-May-2004	Vice-President	17,921,805	41	Essar Steel Ltd.
56	Shiv Hukku	57	B.Sc., PG Diploma	18-Oct-2011	Senior Vice-President - Sales & Marketing	18,652,893	32	Tata Steel Limited ( Head Marketing - Flat Products)
57	Sreenivas Krishnan	57	B.A., MBA,	16-Feb-2011	Vice-President	20,352,241	33	Indian Navy - Commander
58	Sriram K S N	51	CA, ICWA, B.Com	06-Oct-2000	Vice-President	17,501,071	26	Bermaco Group (Sr. Manager - Accounts & Finance)
59	Sundeep Jain	44	CA. B.com	15-Sep-2010	Associate Vice-President	15,009,064	22	Ernst and Young
60	Sunil D Kathariya	60	B.E.	24-Apr-1995	Executive Vice-President	13,840,203	35	Lecturer at Engineering Collage
61	Sushil Nowal	54	B.Com.,MBA (Mktg), EDM	01-Jan-1989	Senior Vice-President - Planning & Logistics	22,493,010	33	Jindal Strips Ltd. ( Marketing Assistant )
62	Tushar Shah	53	B.Com., ICWA	12-Aug-1991	Associate Vice-President	10,552,293	32	The Bombay Silk Mills Ltd. (Cost Accountant)
63	Umesh Rai	55	BE (Electrical Engg.)	09-Feb-1988	Senior Vice-President (Steel & Mills)	14,185,834	35	-
64	Vijay Sinha	51	B.A., PGD(Business Mgmt)	01-Dec-2018	Senior Vice-President - HR (Manufacturing)	13,557,352	26	JSW Energy Ltd. (Sr. Vice-President (HR & Admin.)
65	Vijaykumar Patidar	61	B.E.-Electricals	07-Jan-1992	Senior Vice-President - Project	25,823,116	37	Electrotech Engg. (Partner)
66	Vinay Shroff	57	BE (Chemical)	22-Apr-2010	Executive Vice-President - Sales & Marketing	20,013,030	33	Reliance Industries Ltd. (Senior Vice-President - SCM & Business Head - Logistics)
67	Vineet Agrawal	48	BE (Electronics & Telecom), M.Tech (Management & Systems)	11-Feb-2011	Senior Vice-President & Group Head - Direct Taxation	19,701,862	23	Reliance Power Ltd. (Vice-President - Taxation)
68	Vishwanath S C	56	B.sc.,M.sc., Master of Technology	09-May-1998	Senior Vice-President - Steel Making	20,889,212	32	Essar Steel India Limited ( Manager )

**B(ii) Employed for the part of the year and were in receipt of remuneration aggregating to not less than ₹ 8.5 lakhs per month (Other Than Top 10 )**

1	Amit Agarwal	44	B.Com,C.A.	22-Jul-2020	Vice-President - Finance and Accounts	10,680,672	18	M/s Minda Corporation Limited (Head of Finance & Accounts)
2	Anjaneyalu C R	61	M.Com, C.A.	28-Dec-2000	Associate Vice-President - Finance and Accounts	6,409,380	39	Ispat Industries Ltd ,Dolvi
3	Ashwin Shivkumar Bajaj	45	B.Sc.,MBA Finance	11-Nov-2020	Group Head - Investor Relations	6,682,255	21	Adfactors PR Pvt Ltd

Sr. No.	Name	Age in Years	Qualification	Date of commencement of Employment	Designation	Remuneration (Amt. in ₹)	Total Experience (No. of Years)	Previous Employment (Designation)
4	Balwant Ranka	54	B.Com,C.A.	01-Jul-2007	Vice-President - Procurement & Stores	9,216,902	30	JSW Energy Ltd. (Vice-President - Commercial)
5	B P Pandey	53	B.Tech	17-Feb-2004	Vice-President	6,625,789	39	Kudremukh Iron Ore Company Ltd
6	Narinder Kumar Sharma	55	Bachelor of Arts,	01-Dec-2006	Assistant General Manager Aviation	2,731,956	29	Orient Flight School, Assistant Flight Instructor
7	P K Das	60	B.E. (Metallurgy)	05-Apr-1996	Associate Vice-President	7,417,678	39	Visakhapatnam Steel Plant
8	Prashant Das	57	LLB,MBA,B.Sc.	16-Feb-2015	Associate Vice-President - HR	5,966,534	25	Ultratech Cement Ltd.
9	Pavan Kumar Sodani	48	C.S.,C.A. B.Com	01-Jul-2020	Vice-President - Credit Controller	8,450,496	22	Mahindra & Mahindra Ltd
10	Puneet Jagatramka	49	B.E.	06-Jul-2020	Senior Vice-President - Commercial	14,890,895	19	Vedanta Limited - ( Director Procurement & Supply chain)
11	Pritesh Vinay	45	B.S.C., MMS Finance	15-Oct-2012	Vice-President Finance & Investor Relations	6,168,242	18	Goldman Sach India , Executive Director- Global Investment research
12	Ratna Prasad Venkata Atluri	61	BE ( Metallurgy )	19-Nov-2014	Senior Vice-President (Steel & Mills)	15,508,854	35	Bhushan Steel Ltd. ( President )
13	Rajiv Bakshi	60	B. Com, LLB	04-Mar-2013	Senior Vice-President - Legal & Group Counsel General	13,776,876	35	Godrej Industries Limited ( Executive Vice-President - Legal )
14	Rajendra Kapoor	62	CA. B.com	13-Jan-1998	Vice-President	14,631,285	39	The U.P. State Cement corp. Ltd., Churk Dist, Sonbhadra
15	Ravindra Bhalerao	57	B.E. (Metallurgy)	01-Mar-1989	Associate Vice-President	9,723,533	33	Metallurgy Services
16	Ravindra Shrikant Borwankar	61	B.Tech (Metallurgy),MBA Marketing	08-Nov-1993	Associate Vice-President	9,076,196	39	Ispat Industries Ltd ,Dolvi
17	Sanjay Kulkarni	61	Bachelor of Science , Master of Science	14-Aug-2008	Associate Vice-President	10,605,738	39	Inox Air Product Ltd
18	Sathyanarayana K S	60	B.E.	10-Jul-1995	Associate Vice-President	50,52,176	35	HMT International
19	Siddharth Dileep Patel	35	B.Sc.	15-Feb-2021	Head - New Projects, Digitisation & Tech	1,791,550	35	Bulk MRO Industrial Supply Pvt Ltd
20	Sunil Kumar Dixit	49	B.E. Mechanical	05-Sep-2020	Vice-President (Commercial)	7,310,119	25	Vedanta Ltd.

**Notes:**

- Remuneration shown above includes Salary, Performance Reward / Special Allowance, House Rent Allowance, Leave Travel Allowance, Medical Reimbursement, Perquisite for Car, Bonus, Variable Pay, Commission, monetary value of perquisites as per income tax rules and Company's Contribution to Provident Fund. But does not include Actuarial Valuation of Leave Encashment, Company's Contribution to Gratuity Fund.
- None of the employees is covered under Rule 5(3)(viii) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of Section 197 of the Companies Act , 2013.
- The nature of employment in all cases is contractual except in case of Mr. Sajjan Jindal.
- Mr. Sajjan Jindal is relative of Mrs.Savitri Devi Jindal, Chairperson emeritus of the Company.

## Annexure – E to Directors' Report

### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2020-21 (₹in crores)	% Increase/ (Decrease) in Remuneration in the Financial Year 2020-21	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Sajjan Jindal Chairman & Managing Director	73.38	0%	1054:1	
2.	Seshagiri Rao MVS Joint Managing Director & Group CFO	5.08	(12%)	73:1	Profit before tax (before exceptional items) increased by 125% in financial year 2020-21
3.	Dr. Vinod Nowal Dy. Managing Director	4.22	(5%)	61:1	
4.	Jayant Acharya Director ( Commercial & Marketing )	3.62	(5%)	52:1	
5.	Rajeev Pai Chief Financial Officer	2.15	0%	N.A.	
6.	Lancy Varghese Company Secretary	0.80	0%	N.A.	

- (ii) The median remuneration of employees of the Company during the financial year was ₹6.96 lakhs.
- (iii) In the Financial year, there was an increase of 1.06% in the median remuneration of employees.
- (iv) There were 13,128 permanent employees on the rolls of Company as on March 31, 2021.
- (v) Relation between average increased in remuneration and company performance: - The Profit before Tax (before exceptional items) for the financial year ended March 31, 2021 increased by 125% whereas the increase in median remuneration was 1.06%. The average increase in median remuneration was in line with the market trends.
- (vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The total remuneration of Key Managerial Personnel increased by 56.50 % from ₹57.03 crores to ₹89.25 crores which includes the profit linked commission to Chairman & Managing Director of ₹60.42 crores (Previous Year ₹26.93 crores)

Key Managerial Personnel remuneration excluding the profit linked commission to Chairman & Managing Director decreased by 4.22% (From ₹30.10 crores in 2019-20 to ₹28.83 crores in 2020-21). The profit before Tax (before exceptional items) increased by 125% to ₹12,582 crores in 2020-21 (₹5,601 crores in 2019-20). The decrease in managerial remuneration was primarily due to the moderation in compensation owing to the uncertain economic scenario that prevailed post the COVID-19 outbreak.

Remuneration of the Key Managerial Personnel as % of Profit before tax (before exceptional items) is 0.71 %.

- a) Market capitalisation of the Company & Price Earnings ratio:

Date	Market Price ₹	Face value of Share ₹	EPS in ₹	P/E Ratio	Market Capitalisation ₹ crores	% Change
March 31, 2020	146.25	1	22.03	6.64	35,135	
March 31, 2021	468.45	1	34.92	13.41	112,698	320.76%

The Company has made initial public offer in the year 1995 for ₹10/- per share at par. Subsequent to sub-division of equity shares on 06/01/2017, the face value of share of the Company was reduced from ₹10/- to ₹1/- The market price of the Company share as on March 31, 2021 is ₹468.45.

- (vii) Average percentage increase made in the salaries of employees other than the managerial personnel in FY 2020-21 was 2.40%.
- (viii) The key parameter for the variable component of remuneration in case of the Chairman and Managing Director is linked with Company performance. In case of other key managerial personnel(s) the same is linked with Company performance and Individual performance.
- (ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable.
- (x) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.